

JOURNAL OF THE
AMERICAN BANKERS' ASSOCIATION

Vol. I

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No. 7

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PROTECTIVE DEPARTMENT

THE following letter is unique and entirely characteristic of the Yeggs, containing as it does their vernacular, and should be read with interest by those who are not familiar with the terms used by this "profession":

Copy of a letter found on a "Yeggman" recently arrested in New York State.

LOUISVILLE AND NASHVILLE RATTLER, 20480,

Tuesday, December 1st,

Near Biloxi, Miss.

DEAR SHORTY:

Well, we are in the land of Oranges and "Lemons," heading for New Orleans and Texas to beat the chilly blasts of the North. My side-kicker is Big Curley, just home from a stirology course. Dropped into dumps at Lima, Toledo, Canton and Louisville. Soup men and stick-ups are scarce. I see the Western drum snuffers are usin' buzz-wagons to make their getaway with.

Got a letter from the Bowery and hear that Portland Fatty, late of Kingston, fell again for a Canuck box.

You know about that Shortsville jug way back in 1906, don't you? While our private rattler is side-ditched in the jungles here, I will tell you what happened to them.

A rich old guy has a jug in Shortsville, York State. The bunch got up agin it and dumped it with soup for over six thousand plunks and a lot of Lehigh Valley R.R. ducats. Before they pushed in the jug, they camped with an old Manchester Guinnie sole and heel merchant and fence, about four miles from the trick, so that no bulls or coppers could get hip. The night they gits the jug, they hike it to Shortsville. Two soup men get in on the inside to shoot the box. Four strong-arm guys wait on the streets for a rumble. After the first shot, you'd think an earthquake hit the village. Them hoosiers came to the windows with their cannons, but the four strong-armed guys stood them off and sent them to cover under the beds, and after that it was plain sailin, no foreign interference, so to speak, an then they hikes it back to the Guinnies where they stayed under cover for two or three days, but when the mob gets this jug gaycatted, they make the mistake of not getting hip that its a bankers' associsusin bank.

While theyre working on the harnessed keister, they use for a light, a tallow candle in a shoe box from the guinnie's dump, which, like the chumps they were, they left behind. Well, the echo of the explosion was hardly over, when Shortsville and the surrounding ditches and jungles was full of Pinks; a fat one picks up the shoe box with the candle, dopes it that its from the guinnie's, who, for his bit, got some of the coin and a bunch of railroad pay ducats, but he cant stand prosperity, goes down to Rochester with his wife to get himself a new benny, and hands the Yiddisher clothing dealer one of them. The Yiddisher thinks the ducats aint real coin, calls in the Rochester bulls, pinches him; the Bankers' Association rap to him as Tony Rotondio, of Manchester, the "yegg's" friend; raid his dump, git a lot of the collat and enough swag to send the bunch to prison for the rest of their lives. The bulls put the screws on Antonio, but, noble Roman that he was, he refused to snitch, but they kept on and on like the babbling brook, and the following will have Christmas turkey at Castle Silent, Auburn, at the expense of York State.

Kid Broderick, brought all the way from California, got a fiver.
 Antonia Rotundio (pipe the monacher), mending shoes, for four.
 Flash Connors, half dippy, in the moulding shop for a fiver.
 Big Tom Foley, with the cock-eye, from Shenandoah, twenty year so-journ.
 O. K. Bill 18 years in the pants shop.

and to cap the climax, if they didnt go down to the Western Pen at Pittsburgh, and cop Erie
 Billy after he has served a year, took him back up to York State and handed him a tenner.
 Just think of this whole bunch getting 61 years and 11 months, for having gone up agin a
 jug that belonged to that bankers' asocisasun.

Curley and me has been talking it over, and when we eat a jug in this country, we are
 goin to search it from cellar to garret to see if that sign is in it, before we do any box
 snuffin.

Just hear the old chu-chu nearing the rattler, and am afraid the bumps will interfere
 with writin any further.

By the way, did you see that sign that means the Pinks will go after you if you snuff
 one of their jugs? It is made of illumineum, if you please, an it is over the payin-teller's
 window. Says "Member, American Bankers' Association", an then there s a lot of little
 printin on the inside of it. Youll know what it means if you hit one of their jugs. Youll
 have it photographed in your mind all the time you are doin your bit.

With kind regards to everybody in and out. Write me to General Delivery, Dallas,
 Texas. SLIM.

The Pinkertons, New York, submit the following definitions of the vernacular con-
 tained in the above letter:

Benny	Overcoat.	Harnessed keister	Extra steel bar protection.
Bit	A sentence.	Hijke	To walk.
Box	Safe.	Hip	To discover.
Bulls	Detectors.	Hoosier	Countryman.
Buzz-wagon	Automobile.	Jug	Bank.
Cannons	Revolvers.	Juggles	Woods.
Castle Silent	A prison.	Pen	Penitentiary.
Chu-chu	Locomotive.	Pinks	Pinkerton men.
Coin	Money.	Pipe the monacher	Note the name.
Collat	Jewelry and valuables.	Plunks	Money; dollars.
Cop	To arrest.	Putting the screws on	A severe cross-examination.
Coppers	Policemen.	Rap	To identify.
Dope	To deduct.	Rattler	Freight car.
Drum-snuffers	Vault and safe burglars.	Rumble	Possible discovery.
Ducats	Tickets or checks.	Shooting the box	Opening a safe with explosives.
Dump	Saloon or lodging-house fre- quented by yeggmen.	Side-ditched	Switched into a siding.
Fell	Arrested.	Side-kicker	Associate.
Gay-cat	A locator, or one who makes observations of the sur- roundings.	Soup-men	Handlers of explosives.
Guinnie	Italian.	Stick-ups	Hold-up men.
Guy	Man.	Stirology	Penal institution.
		Strong-armed guys	Heavily built, fearless men.
		Swag	Proceeds of burglary.
		Yiddisher	A Hebrew.

New Money Order of the American Bankers' Association

THE American Bankers' Association form of foreign money orders which was adopted
 by the Committee on Express Companies and Money Orders of the Association will soon
 be placed in circulation. This money order will be issued by the Bankers' Trust Company
 of New York City. Mr. Fred. I. Kent, Chairman of the Committee, formerly Manager
 of the Exchange Department of the First National Bank of Chicago, has accepted the pos-
 ition of Vice-President of the Bankers' Trust Company of New York. As Mr. Kent has
 given much thought and time to the American Bankers' Association money orders, his new
 position in New York will give him every opportunity to make a success of this feature of
 Association work.

One of the many handsome souvenirs at the Denver convention was the Association
 pin for delegates and guests. A few of these have been left over, and as they cannot be
 used next year, any of the members who did not attend the Denver convention and would
 like one of the pins for a souvenir can secure same by writing the Secretary.

New State Bankers' Association

THE bankers of Nevada, recognizing the fact that State Bankers' Associations are practically necessary to the welfare of the banks in their respective States, have organized an Association in Nevada. The Reno Clearing House was active in bringing about the organization. George N. O'Brien, of the American National Bank of San Francisco, addressed the meeting, and the bank was made an associate member of the Association.

The Officers elected for the ensuing year will be found on page 270 of the JOURNAL.

Annual Convention of the Arizona Bankers' Association

THE Arizona Bankers' Association held its Fifth Annual Convention at Bisbee, Arizona, December 4th and 5th, and although only organized five years ago, the Association has made rapid progress along the lines of association work.

The report of Secretary Morris Goldwater showed a continued increase in membership and gratifying results of the work done during the past year. It is evident by Treasurer Lloyd B. Christy's report that the finances of the organization are in good condition.

The Hon. George H. Neale, Mayor of Bisbee, welcomed the members and guests to the city, and President John M. Ormsby responded to same and delivered his annual address.

One of the valuable administrative features of the Association is the plan of having a Vice-President from each of the counties in the State. The personnel of that body, selected for the ensuing year, is an assurance of continued activity in the affairs of the Association.

Hon. Sims Ely, Bank Comptroller of Arizona, gave an instructive talk on "Bank Supervision." A paper was read by Hon. Stoddard Jess, of the First National Bank of Los Angeles. Hon. Herbert B. Tenney, of the Consolidated National Bank of Tucson, spoke on "Panic Memories." Hon. Moses B. Hazeltine, of the Bank of Arizona, Prescott, presented some valuable suggestions and E. W. Kayser, of the First National Bank of El Paso, talked on "Lessons from the Panic."

The entertainment program provided by the Bisbee bankers was thoroughly enjoyed by the delegates and their friends.

The Officers elected for the ensuing year will be found on page 269 of the JOURNAL.

Credit Blanks

At the 1899 Convention in Cleveland, Mr. James G. Cannon, of New York, made an address on "Uniform Statement Blanks and Credit Department Methods." In this connection he submitted special blanks which had been prepared for use in the credit department of banks. These forms begin with the opening of an account and show the various stages of its progress during the application for discount, until the loan is finally placed to the borrower's credit. They are divided into three departments, designated as A, B and C. Class "A" is for the use of banks with a capital and surplus of \$500,000 and over; Class "B," with a capital and surplus of \$100,000 to \$500,000, and Class "C," \$25,000 to \$100,000.

We have a quantity of samples of these credit blanks in the Association offices and the Secretary will be pleased to forward samples to any members of the Association who desire them.

As the membership of the Association is now over ten thousand there are frequent changes which come about through consolidations, mergers, liquidations, etc. As changes occur, the Secretary of the Association would appreciate very much receiving notice for the purpose of keeping our membership list correct and giving publicity through the columns of this JOURNAL.

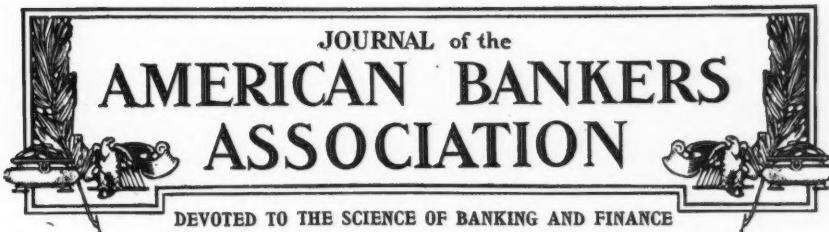
It having become apparent through recent developments in the protective work of the Association that bank forgers are securing sample checks from engraving, printing and stationery houses, utilizing these samples for reproduction of checks and drafts, houses which furnish checks and drafts should not distribute samples promiscuously and banks should discourage this custom by notifying the firms from whom they secure their supply.

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THE offices of the Association, being so centrally located in the financial district—corner of Nassau and Pine Streets—make a very convenient place for members and their friends to meet when in New York. One of the large offices has been fitted up as a library and reading room, in which are kept on file the financial papers of the country and other current literature. Every facility has been provided for correspondence, and the Association's stenographers are at the service of the members, who can have their mail and telegrams sent in care of the office. The Association telephone is also at their service when they wish to communicate with the banks or their friends. The members are cordially invited to avail themselves of these privileges, and it is very much hoped they will do so.

The following visitors registered during the month of December:

W. G. SIMPSON, Cashier Citizens' National Bank, Meridian, Miss.
JOHN L. HAMILTON, Vice-President Hamilton & Cunningham, Hoopeston, Ill.
GEO. W. NEVILLE, Colonier, N. J.
L. MANDELBAUM, New York City, N. Y.
CHARLES F. DROSTE, Montclair, N. J.
FRED. I. KENT, Manager Exchange Dept., First National Bank, Chicago, Ill.
A. A. JACKSON, 2d Vice-President Girard Trust Co., Philadelphia, Pa.
OLIVER C. FULLER, President Wisconsin Trust Co., Milwaukee, Wis.
LAWRENCE L. GILLESPIE, Vice-President Equitable Trust Co., New York City.
HOWARD BAYNE, Vice-President Columbia Trust Co., New York City, N. Y.
JOSEPH C. ALLEN, Treasurer Hampden Trust Co., Springfield, Mass.
MARK H. BERRY, Secretary M. C. Johnson Co., New York City, N. Y.
D. L. CASE, Business Manager "Michigan Investor," Detroit, Mich.
JOHN C. DAY, President First National Bank, Rochester, Mich.
GEO. M. REYNOLDS, Pres. Continental Nat. Bank, Chicago, Ill.; Pres. American Bankers' Asso.
WILLIAM REED, Assistant Cashier, National City Bank, New York City, N. Y.
LEWIS E. PIERSON, President, Irving National Exchange Bank, New York
WM. A. WILCOX, Trust Officer Scranton Trust Co., Scranton, Pa.
WILSON S. LOUGHBRIDGE, with Carnegie Safe Deposit Vaults and Carnegie Trust Co., N.Y. City.
COL. F. H. FRIES, President Wachovia Loan & Trust Co., Winston-Salem, N. C.
J. S. FORD, Chicago, Ill.
F. H. B. MCKNIGHT, Pittsburgh, Pa.
H. A. DUNN, with Haskins & Sells, New York City, N. Y.
ARTHUR KAVANAGH, Cashier National City Bank, New York City, N. Y.
GEO. GUCKENBERGER, President Atlas National Bank, Cincinnati, Ohio.
G. E. LEWIS, Cashier Gallatin National Bank, New York City, N. Y.
H. S. GEERY, Cashier Milner State Bank, Ltd., Milner, Idaho.
CARROLL PIERCE, Vice-President Citizens' National Bank, Alexandria, Va.
JOHN S. LITTLE, Cashier Bank of Rushville, Rushville, Ill.
F. W. FOOTE, Vice-President First National Bank of Commerce, Hattiesburg, Miss.
GEO. B. PENDLETON, Cashier New Britain Banking & Trust Co., New Britain, Conn.
HIRAM R. SMITH, President Bank of Rockville Centre, Rockville Centre, N. Y.
H. M. SPERRY, Cashier National Exchange Bank, Hartford, Conn.
W. D. MORGAN, Cashier Aetna National Bank, Hartford, Conn.
DAVID BINGHAM, 2d Vice-President People's Bank, East Orange, N. J.
JEROME D. GEDNEY, Counsel People's Bank, East Orange, N. J.
J. A. BAUER, Assistant Secretary, Detroit Trust Co., Detroit, Mich.
JOSEPH G. BROWN, President Citizen's National Bank, Raleigh, N. C.
EDW. T. S. LEWIS, Rep. Farmers & Mechanics' Nat'l Bank, Philadelphia, Pa.
ARTHUR C. SMITH, Caro, Mich.
J. McNAIR EALY, Ealy & Co., Caro, Mich.
FRANK N. RENAUD, Detroit, Mich.



VOL. I

JANUARY, 1909

No. 7.

FRED. E. FARNSWORTH, PUBLISHER
Secretary American Bankers' Association
W. W. WAINE, ASSOCIATE EDITOR

THOMAS B. PATON, EDITOR
General Counsel American Bankers' Association

THE Annual Proceedings of the American Bankers' Association will be ready to send to the membership about the time this JOURNAL is sent out. Every effort has been made to get this volume out as promptly as possible, but in the arrangement of the matter and the compilation, with the necessary care to be taken in proof-reading, etc., and inasmuch as the book is the largest and most complete one ever issued by the Association, numbering 528 pages, the task of properly handling it is not an easy one.

In addition to a full report of the Denver convention, the publication will contain a full list of the names of delegates and guests at the convention; and for new matter, a historical sketch and data as to past conventions, with portraits of all the ex-Presidents. The book has been properly indexed and will be found a valuable volume and well worthy of perusal by every member.

In another part of the JOURNAL, printed as a separate section, we publish the report of the Committees of the Society of Railway Financial Officers, the American Association of Railway Accounting Officers, the American Association of Public Accountants and the American Bankers' Association, who met in joint conference for the purpose of devising and recommending standard uniform voucher checks.

The report shows clearly what has been accomplished and the agreements reached, and it is accompanied by a number of standard forms recommended for general use both by railroads and by other corporation and individual users of voucher checks. The forms are printed in the exact size and form in which they are recommended for use, and their general adoption will be of great benefit.

Members of the Association should take care to preserve, and not to lose or destroy these forms, which can be kept for continued use by each bank with its customers. Bankers should suggest to all customers needing or using voucher checks that they use these forms in place of the many obsolete or objectionable forms at present in vogue. This applies to railroads, corporations, manufacturers, merchants or individuals.

A limited number of extra copies of the Voucher Check report and forms are on hand at the offices of the Association for distribution to members who may desire one or more of such documents for special use. Should the report and forms be required in quantity, they can be supplied by special arrangement with regard to defraying cost.

At a recent meeting of the Executive Committee of the Clearing House Section, held in this city at these offices, the Committee was very pronounced

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in its views that the larger cities of the country should be given full information regarding the establishment of special examiners under the control of clearing houses.

The Committee invited Joseph T. Talbert, President of the Chicago Clearing House, to write an article on this subject. This article will be found in this issue of the JOURNAL. It is evident that it has been prepared with great care, thought and study. It explains very fully the system as inaugurated in Chicago, and as it is decidedly a move in the right direction, and a move that is likely to be taken up by other large cities, it should receive the careful reading of every member of the Association.

A quantity of the following currency documents is on hand in the Secretary's office. If any of our members want copies with which to do educational work, we will be pleased to send them on advice to that effect:

Report of The Currency Commission of the American Bankers' Association.

Report of Currency Commission of American Bankers' Association, made at a meeting held at Chicago, Saturday, January 18, 1908.

Statement of Currency Commission of American Bankers' Association, presented to House Committee on Banking and Currency, at Washington, D. C., Wednesday, April 15, 1908.

Credit Currency. By Elmer H. Youngman, Editor *Bankers' Magazine*.

Address of Hon. Charles N. Fowler, Chairman Committee on Banking and Currency, on the Financial Situation, before The Illinois Manufacturers' Association, at Chicago, December 10, 1907.

Guaranty of National Bank Deposits. By James B. Forgan, President First National Bank, Chicago, Illinois, before the Annual Meeting of Group Two of the Bankers' Association of the State of Illinois, held at Peoria, June 11, 1908.

Hearings and Arguments Before the Committee on Banking and Currency of the House of Representatives on Proposed Currency Legislation, Fifty-ninth Congress, Second Session, 1906-7.

MORTUARY RECORD OF MEMBERS FOR DECEMBER, 1908

The following list is compiled from the financial journals. If, in future, our members will advise the JOURNAL of the decease of any officer or director of their institution, giving name, title, age and date of death, the same will be published.

BURLINGAME, ELISHA, Trustee South Adams Savings Bank, Adams, Mass.

CABLE, A. C., Cashier Stillwater Valley Bank, Covington, Ohio.

CAPLIN, SAMUEL T., President Rockville National Bank, Rockville, Ind.

COBURN, JAMES P., President First National Bank, Bellefonte, Pa.

COFFIN, EDWARD A., Treasurer American Trust Co., Boston, Mass.

COLWELL, JOSEPH, President National Commercial Bank, Cleveland, Ohio.

COON, THOMAS B., Vice-President Kilbourn State Bank, Kilbourn, Wis.

CROMB, JOHN, President Merchants' National Bank, Crookston, Minn.

DAYTON, JAMES, Director Bank of Port Jefferson, Port Jefferson, New York.

FERRIER, GEORGE, Assistant Cashier Hibernia Bank and Trust Co., New Orleans, La.

HORN, WILLIAM, SR., Director Merchants' National Bank, Lafayette, Ind.

HUTCHINSON, W. B., President Citizens' Bank, Michigan City, Ind.

JOHNSTON, RICHARD W., Vice-President American National Bank, Macon, Ga.

JOY, JESSE C., Cashier Hamilton Bank, New York, N. Y.

LAUGHLIN, MAJOR GEORGE McCULLY, President Keystone National Bank, Pittsburgh, Pa.

LETHBRIDGE, ROBERT P., Director Nassau Trust Co., Brooklyn, N. Y.

MERRITT, H. G., President People's Bank, Minneapolis, Minn.

NELSON, ANDREW, President Bank of Litchfield, Litchfield, Minn.

PARSONS, CYRUS M., President Citizens' State Bank, Claremont, Cal.

RICHARDS, BENJAMIN WOOD, Director Girard Trust Co., Philadelphia, Pa.

TYSON, CANBY S., President National Bank of Germantown, Philadelphia, Pa.

VANCE, FRANK L., Director Wisconsin National Bank, Milwaukee, Wis.

WARD, G. B., President First National Bank, Alexandria, Minn.

WOODWARD, J. F., President Bank of Bishopville, Bishopville, S. C.

WOODWORTH, A. L., Cashier First National Bank, Gouverneur, New York.

YOUNG, E. F. C., President First National Bank, Jersey City, N. J., and Vice-President Trust Company of New Jersey, Hoboken, N. J.

CLEARING HOUSE SECTION

Clearing House Examinations

BY JOSEPH T. TALBERT,
President of the Chicago Clearing House Association.

WHETHER made under federal or State authority, the public has been led to expect too much of examinations as the means of insuring the safe and proper conduct of banks. The erroneous idea thus entertained has brought upon Comptrollers of the Currency, State officers and bank examiners in many instances in the past unmerited criticism. Because of continued bank failures the impression has grown almost into a fixed belief on the part of the people that all such examinations are lax and inefficient, if not useless. This is altogether a mistake, and the idea is so harmful in its effect upon public opinion that its falsity should be pointed out; and the limitations of all examinations, even when privately made, should be carefully explained. Familiarity with the facts and better knowledge of the subject should lead to a more just appreciation of the value of examinations, and to an understanding of the things which bank examinations cannot accomplish.

Too much emphasis cannot be laid upon the fact that supervision through the power of inspection by whatever authority it may be exercised, or however efficiently it may be done, never can be made to prevent bank failures. The most that can be expected in any event, under the best and most intelligent system of inspection, is to reduce the probability of banks reaching a failing condition. Even this is not often the direct result of the examinations which must of necessity always take place after the acts which deserve to be criticized have been committed and all possible harm has been done; but it grows out of the fact that where a thorough system of examinations exists the managing officers of banks always are conscious that their acts are frequently to be reviewed and criticised by competent and well-informed authorities possessed of power to inflict penalties. In this manner there is created and maintained a strong and continuous restraining influence which is far more beneficial in its effect than criticism after the act. Conscience, pride and the fear of detection are much greater factors in the maintenance of social order than are the penalties of crime exacted by law. Herein lies one advantage of bank examinations conducted by Clearing House Committees over those made by national or State authorities. These Committees, through their own examinations, may discover and punish not only grave offenses, but they possess the ability to restrain, correct and repair minor conditions of an irregular or unsound character, although as such they may constitute no infraction of law. National and State officers have no such corrective or remedial powers. They are obliged to confine their criticisms to actual or technical violations of law, and before exercising official authority must wait until conditions become so bad through incompetency or otherwise that it is necessary to levy assessments on shareholders to repair capital losses, or at last resort to the drastic alternative of forced liquidation.

The writer's experience in one case, a number of years ago, affords an excellent illustration of the injustice of hasty criticism of the Comptroller's office and the work of national bank examiners. A large bank in a western city was found to be in a failing condition. The circumstances were so grave that a report was made in cipher by telegram to Washington and authority was asked summarily to close the bank. Such extreme measures for the reasons explained are, of course, unusual, and inasmuch as they involve serious responsibility the Acting Comptroller naturally and properly in this instance, in the absence of the Comptroller, hesitated to assume the responsibility of acting upon the unsupported judgment and recommendation of one man, particularly as there was no evidence to warrant criminal charges against the directors and officers. Instead of ordering the

bank to be closed, instructions were therefore given the examiner to make a most thorough and careful examination; to forward the report as soon as possible, and to be certain that the conclusions were correct. This was done, but it required time. Several days elapsed before the examination was completed and as much more before the report reached Washington and the condition of the bank could be carefully analyzed. In the meantime, it became necessary that the examiner should be sent to another city a thousand miles away. The Comptroller's letter to the Directors of the bank, outlining what must be done if the bank were allowed to remain open, required a few days more to reach the bank; still more time was necessary for the Directors to consider the Comptroller's requirements and to determine their ability or inability to meet them. Thus in correspondence and deliberations nearly three weeks were allowed to pass, when the bank, no longer able to meet the demands upon it, failed. The same examiner, inasmuch as he was known by the Comptroller to be familiar with the condition of the bank, naturally was ordered back to take charge as receiver. Immediately the depositors held indignation meetings; some of them protested against the alleged outrage that an examiner who was either incompetent or corrupt, as was proved by the fact that he had within three weeks examined the failed bank and "pronounced it sound," should be sent back by the Government to take charge as receiver. This protest on the part of injured creditors was reasonable enough from their point of view, but was unjust because it was based upon lack of knowledge of the facts. It is interesting to know that the man who was leading the angry crowd of "depositors," and who made the most noise about the injuries and losses he suffered, owed the bank a small sum which had been written off as a bad debt and whose current account in the bank was an over-draft.

The work of bank examiners has steadily improved for fifteen years. There has never been a time when examinations under both federal and State authority were so efficiently and faithfully made as they are now. It is a pleasure and a satisfaction to make this acknowledgment, for it is no more than justice to the Comptroller of the Currency and several of his predecessors, as well as to a number of excellent State officials and to their corps of faithful examiners.

It is clearly the intention of the Comptroller, by strict enforcement of law and by insisting upon closer attention to duty on the part of Directors, to elevate the character of bank management. He has given abundant evidence that he is conscientious and resolute in his purpose to raise still higher the standard of bank examinations. But there are limitations not only as to what an examiner in the full discharge of his duty should do, but sharply defined limitations as to what he can do.

A comprehensive definition of an examiner's duties under existing laws and the circumstances of his compensation would be that he should correctly determine but four things. First: That the bank is conducted according to law; second, that its capital is unimpaired; third, that all books, records and accounts are properly kept; fourth, that all reports made to the Comptroller are correct. These duties involve a verification of all the assets of the bank and a determination of their quality, but they do not include an audit of the books and accounts nor a complete and systematic verification of the liabilities. This is the work of an auditor and it can be done properly and thoroughly only by long and tedious examinations, or, better still, by chartered accountants.

The following extract from an address by Mr. James B. Forgan admirably illustrates the difficulties of supervision by examination:

"A competent examiner—and there are many such now in the government employ—while he cannot pass judgment on all the loans in a bank, can, after a careful examination, or a series of examinations, form a wonderfully correct judgment as to the general character of its assets and as to whether its management is good or bad, conservative or reckless, honest or dishonest. Examinations as they are now conducted have a most beneficial influence on bank management, especially by way of restraint. The correspondence carried on by the Comptroller based on the examiner's reports does an inestimable amount of good in the way of forcing bank officers to comply with the law and in compelling them to face

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and provide for known losses as they occur. Supervision by examination does not, however, carry with it control of management and cannot, therefore, be held responsible for either errors of judgment or lapses of integrity. Examination is always an event after the act, having no control over a bank's initiative, which rests exclusively with the executive officers and directors, and depends entirely on their business ability, judgment and honesty of purpose."

When the public understands and appreciates these facts greater weight and respect will be accorded to conservatism and character, to the financial strength of individual banks, and to methods that are known to be sound in banking. In the final analysis these are the elements which entitle a bank to credit and confidence, and when they are all combined in a bank they are worth more to the public as guarantees of safety than any system of supervision or inspection which human ingenuity ever will devise. *But thorough and frequent inspection of the banks of any community by their own examiners may do much to create and develop these elements.

The establishment of an independent system of examination by the associated banks of Chicago, which has been followed in several other cities with excellent results, was not done, therefore, because of dissatisfaction with Government or State examinations, nor was it done with the expectation or the hope of entirely preventing bank failures. Here again the public is in need of enlightenment. The idea is more or less prevalent, and recently has been growing, that the associated banks of Chicago in some way through their system of self-inspection have undertaken to insure or guarantee to the public the soundness and proper conduct not only of members but of all outlying banks clearing through members; and that the failure of any such bank in the future not only is improbable but quite impossible.

This is a mistake, and the public should understand that it is just as necessary now as it was before for a depositor to exercise care in the selection of his bank. All that the associated banks have undertaken to do—and even this is a heavy responsibility—is to endeavor to regulate the banks and to try to prevent unsound and improperly managed banks enjoying the privileges of clearing through the Association. But no guarantee is or can be given that failures may not occur in the future. However active and efficient the efforts of the Clearing House Committee and the examiner may be to keep our banks up to a high standard, there exists no power to prevent such eventualities. This is not a pleasing thing to say, but it is better that it should be said now, and let the public clearly understand the fact, than to have the Clearing House Association and its system of examinations discredited, and all the good work that it has already done and will continue to do destroyed by the failure of some bank in the future.

It must always be remembered that nothing comes up to the Committee for criticism or action until after the mistake has been made, and then it may be too late. It is not possible to have always at the elbow of each managing officer of all the banks an examiner or a representative of the Clearing House Committee with the knowledge and wisdom to counsel against unsafe loans, or to forbid occasional fraudulent acts. No way ever will be found to prevent losses arising from bad judgment, or trouble from dishonesty.

Having now a clear understanding of the purposes of the examinations made under authority of the Chicago Clearing House Association and a full appreciation of the natural and inevitable limitations, we are prepared to consider their benefits, to examine into the machinery and to ascertain the value of the work done.

The system of Clearing House examinations was inaugurated in Chicago June 1, 1906, and has proven to be more useful and satisfactory in actual practice than even its originators expected or than was deemed possible in theory at the start. The Chairman of the Chicago Clearing House Committee, commenting on this subject, recently said:

"The result of our experience in Chicago is most satisfactory and gratifying. The banks have almost unanimously adopted every suggestion made by the Clearing House Committee for their betterment and strength. In several instances the Committee, from its wider knowledge of the financial situation, has been able to save some of the smaller

banks from loss by enabling them to take hold of conditions in time. I cannot properly go into such details as would illustrate the effectiveness of Clearing House examinations as we have experienced it, and can only say in a general way that it has been even more satisfactory than I anticipated it would be before it was undertaken."

The information upon which the conclusions reached in this article are based has not, however, been drawn from the experience of the Chicago Clearing House Association alone, but from that of St. Louis, San Francisco, Minneapolis and St. Paul, in each of which cities the same system or similar ones have been established. As might have been expected, their experiences have been not unlike our own. Leading bankers in all the cities are more than satisfied with the results. A majority of the individual bank officers are enthusiastic believers in the value and efficiency of the examinations and would not abandon them under any circumstances. All are agreed that success depends in a very large measure, if not entirely, upon the efficiency of the examiner himself. In every case the importance of procuring the services of a competent and reliable man appears to have been realized by the committees in the beginning. Examiners as well as assistants have been chosen with the same care and regard to fitness that usually is given by the Directors of a bank to the selection of staff officers. In the case of Chicago, the writer does not believe it is improper to say that the Committee was fortunate in the selection of an examiner of ideal qualifications, and of unusual ability; and that he has done careful, conscientious and thoroughly satisfactory work.

It was not deemed advisable in the beginning that the examiner should be hampered by detailed instructions as to the extent and character of the examinations he should make. Aside from affording him every facility for making his work effective and successful, it was thought that he should be left free to work out the details according to his own ideas. The main purpose of his work was made at the outset specifically to determine and report the single and unqualified fact whether the bank examined was found to be in good, sound and satisfactory condition or not. Broadly speaking, this is the essential thing and it is what a Clearing House Committee desires to know. When the condition of a bank is not satisfactory, then, of course, the matters complained of are reported in detail to the Committee and the necessary steps are at once taken to correct them. This is done by calling the officers (and where necessary the Directors) of the bank before the Committee.

The effectiveness of a Clearing House Committee in such a case grows out of its corrective and remedial powers. The only remedy necessary to apply may be a few words of sound advice or timely warnings based upon the Committee's broader experience and knowledge, but there is behind it always the power to inflict penalties and to enforce the Committee's requirements. These are powerful deterrents from wrong-doing and strong incentives to good methods.

In a general way, the work done and the manner of doing it is the same in all cities employing Clearing House examiners. The details of the method and scope of the examinations as conducted in Chicago may be stated in the examiner's own words:

"The examinations extend to all of the Associated Banks of Chicago which include the nineteen regular member banks, and also forty non-member institutions or banks which enjoy the privileges of the Clearing House through the regular members, in accordance with the rules and regulations of the Association. The work is conducted with the aid of five regular assistants, each fitted by experience to thoroughly do that part of the work assigned to him. The examinations include not only a verification of the assets and liabilities of the bank so far as it is possible, but extend into the workings of every department, and are made as thorough as is practicable.

"After each examination the examiner prepares a detailed report in duplicate setting forth a description of the bank's loans, bonds, investments and other assets, making special mention of all loans either direct or indirect, to the officers, directors or employees, or to corporations in which they may be interested. This report also contains a description of conditions as found in every department. One of these reports is filed in the vaults of the Clearing House in the custody of the examiner, and the other is handed to the bank's

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President for the use of its Directors. The individual Directors are then notified that the examination has been made and that a copy of the examiner's report has been handed to the President for their use. *By so doing every Director is given opportunity to see the report and co-operate in maintaining a high standard in his bank. The examiner has in every case insisted upon receiving acknowledgments of these notices to Directors.*

"The detailed report referred to above is not examined by the Clearing House Committee unless unusual conditions make it necessary. A special report in briefer form is prepared in every case and read to the Clearing House Committee at meetings called for that purpose. This report made in the form of a letter describes in general terms the character of the bank's assets, points out all loans, direct or indirect, to officers, directors or corporations in which they are interested, also describes all excessive and important loans, calls attention to any unwarranted conditions, gross irregularities or dangerous tendencies, should they exist, and expresses in a general way the examiner's opinion of each bank as he finds it.

"In my opinion other Clearing House Associations, which may contemplate establishing an office similar to the organization in Chicago, should carefully safeguard the condition imposed upon whomever is made its head as to tenure of office. The incumbent ought to be placed beyond possibility of subsequently leaving his position to enter the service of any of his banks which might extend to him an inviting offer."

This is a clear and comprehensive statement of the work of examination as it is done in Chicago. If no other good at all were accomplished, the fact that every Director is kept familiar with the condition of his bank (or at least is given the means to become so), would result in better management and sounder methods. The value and usefulness of the work have been proved, however, in other ways to the satisfaction of the Committee and to the members of the Association. In so far as examinations can be made effective, or any control be exerted over the daily conduct of a large number of banks, this system, through its police power, constitutes an efficient arm of the Committee for the regulation of all banks enjoying Clearing House privileges. The benefits are mutual, and are shared by large and small alike. Mistakes of policy, as well as of judgment, have received timely correction; jealousies have been overcome; and suspicion and distrust, which not infrequently exist among banks having no real knowledge of the condition of each other's affairs, have been supplanted by respect and confidence. Closer, more satisfactory, and perfectly harmonious relations have been established and are maintained.

The system is an extension of Clearing House authority along prudent and legitimate lines. It is a long and an important step in the interest of good banking. In a broad sense it is sound and wholesome government. It should and will endure, for like all good systems of government, "its just powers are derived from the consent of the governed."

(Note by Mr. James B. Forgan, Chairman, Chicago Clearing House Committee.)

The above meets with my unqualified approval, being a clear and forceful statement of facts, as they now exist in connection with Bank examinations under Clearing House authority, as well as an able thesis on the value and limitations of Bank examinations under any authority.

(Signed) **JAMES B. FORGAN,**
Chairman, Chicago Clearing House Com.

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PROTECTIVE WORK OF STATE BANKERS' ASSOCIATIONS

TEXAS BANKERS' ASSOCIATION, AUSTIN
SECRETARY'S OFFICE

WARNING NOTICE

A man signing himself J. B. Ford, representing he is a sign painter, has been passing fraudulent checks signed by State Medical Association, per J. O. Harvey, Treasurer, drawn on the First National Bank, Kansas City. These checks are worthless. There has been a perfect flood of them going in from East Texas and Arkansas.

OHIO BANKERS' ASSOCIATION
OFFICE OF SECRETARY

COLUMBUS, OHIO, Dec. 8, 1908.

WARNING TO BANKERS

A young man representing himself to be a son of the Vice-President of a Chicago bank, recently called upon a member of the Ohio Bankers' Association in Central Ohio, and through his familiarity with the different bank officials in Chicago, persuaded our member to advance him \$5.00 on a check, to which he signs the same name as the Vice-President of the Chicago bank, but as Jr. The young man claimed that he was a stranded actor at the time, and needed the cash to obtain a night's lodging, etc., until he could hear from his father. The check proved to be a swindle, and the Chicago banker advised our member that the same game had been worked on him a few weeks before; in this case claiming to be the son of a Vice-President of a bank in Atlanta, Ga. Before swindling our member, he worked the scheme also at Wheeling, W. Va. He is apparently an experienced hand at the business. Description—About 5 ft. 10 in. in height; weight about 160 pounds; sandy hair, fair complexion, clean shaven, and at the time mentioned above, wore a short light overcoat; presents good appearance, and is a nice talker. Look out for him.

Very respectfully,

S. B. RANKIN,
Secretary.

NEBRASKA BANKERS' ASSOCIATION
OFFICE OF THE SECRETARY

OMAHA, NEB., December 18, 1908.

\$1,000 REWARD

The Commercial Bank of Gibbon, Nebraska, was robbed at 2 o'clock this morning by a party believed to contain six men. The safe was blown and about \$2,500 taken.

The Nebraska Bankers' Association offers a reward of Five Hundred Dollars (\$500) for the arrest and conviction of the person or persons committing this crime.

The Farmers' State Bank of Keene, Nebraska, was robbed at about 3 o'clock this morning, supposedly by the same party of men. \$3,000 was taken.

The Nebraska Bankers' Association offers a reward of Five Hundred Dollars (\$500) for the arrest and conviction of the person or persons committing this crime.

Above rewards to remain in force for one year from date, and to be paid under the rules and regulations of the Nebraska Bankers' Association.

Any information should be phoned or wired at our expense to this office.

NEBRASKA BANKERS' ASSOCIATION,

Wm. B. HUGHES, *Secretary,*

214 South 12th Street, Omaha, Neb.

TRUST COMPANY SECTION

THE Executive Committee of this Section in its report to the Denver Convention outlined various ways in which the Section might be made more useful to its members; one of the most important was stated to be:

"To collect legal decisions and preserve a record of legislation affecting trust companies introduced into or passed by the Legislatures of the several States; thus much could be done toward unifying trust company legislation."

As a basis for starting this important undertaking a collection of the laws of the various States relating to trust companies was essential and was promptly started by correspondence with various State officials. It was found that there was no general compilation of these laws. A number of the States have no general banking act governing trust companies, these companies deriving their authority to do business from the general corporation laws; in other States the trust company law is found in scattered sections of the general law.

The General Counsel of the Association has under way a compilation of the statutory law of all the States relating to banks, savings banks, and trust companies, but the extent of this work is such that it is not possible to complete it in time for use during the 1909 sessions of the various State Legislatures. The officers of the Section with several members of the Executive Committee, who were in New York, met at the Secretary's office last month, and after a full discussion, in which the Secretary of the Association and the General Counsel participated, it was decided that this Section, desiring to have this compilation at the earliest possible moment, should make arrangements to that end. This work is now under way and will be a complete compilation and digest of the laws governing trust companies of the several States and Territories, with an index to each State law so that any provision can be quickly and readily found. It is expected that the volume will be ready for distribution within a few weeks, and it is hoped will be of great usefulness to the members of the Section, since it will contain information not now obtainable without great difficulty and delay. The Legislatures of some forty States meet during this year, and, with the facility of comparison offered by this publication, the Committee on Protective Laws, in conjunction with the various States' Vice-Presidents and members of the Section, will be enabled to advocate the enactment in the several States of such legislation as may seem desirable.

Attention is again called to the publication in one volume of the Proceedings of the annual conventions of the Section for the years 1904-08 inclusive, note of which was made in the December JOURNAL. In addition to many carefully prepared papers upon trust company and banking subjects with discussions by active trust company officials relative thereto, this book will contain a number of instructive addresses which have been delivered at the Section's several conventions and which are of interest not only to trust companies, but to all the members of the Association. Some of these are:

"Defalcations—What Can Be Done to Decrease Them." Hon. Pierre Jay, Bank Commissioner, State of Massachusetts.

"Distinction in the meaning of the word 'trust' as applied to trust companies, and the same word as used in connection with commercial combinations." Hon. Charles Emory Smith, ex-Postmaster-General and ex-Ambassador to Russia.

"The Trust Company—A Necessity." Breckinridge Jones, President Mississippi Valley Trust Company, St. Louis, Mo.

"Radicalism vs. Conservatism." F. H. Fries, President Wachovia Loan & Trust Company, Winston-Salem, N. C.

"Proper Supervision of Trust Companies by State Officials." Hon. William B. Ridgely, ex-Comptroller of the Currency.

This volume will be ready within a few weeks and those desiring copies are requested to notify the Secretary of this Section; the price of the volume will be \$3.00.



SAVINGS BANK SECTION

THE membership of the Section is 1,583 at this writing.

The Committee on Postal Savings Banks has received a very large number of answers in reply to the circular letter, containing papers, etc., referring to the proposed Postal Savings Bank Legislation, sent to all the banks and bankers in the United States. Only three replies favored the Bill now before the Senate, all the other letters promising co-operation in the work of the Committee, and many asking for additional copies of the Bill and Addresses sent; many very interesting communications contained suggestions, etc., which were at once placed before the Committee for consideration. In a number of States, resolutions against the Bill were adopted by State Bankers' Associations, and it seems at the present writing that the chances of legislation during the present session of Congress are practically nil; it is not impossible that the bill may be referred to the Currency Commission, now engaged in reporting on our banking system; this is a good suggestion and we hope it will be acted upon.

Our Committee on Savings Bank Laws is actively at work on the important question of safe laws for savings banks throughout the country.

The Committee on Auditing, to which Mr. Albert I. Couch, Treasurer of the Essex Savings Bank of Lawrence, Mass., has lately been added as a member, will probably hold a meeting in the course of next month, and members of the Section are invited to send suggestions to the Secretary on all matters pertaining to the auditing, bookkeeping and handling of savings bank accounts.

AMERICAN INSTITUTE OF BANKING SECTION

THE following letter received by Mr. Allen from Mr. Vreeland, Vice-Chairman of the National Monetary Commission, is self-explanatory, and shows the interest manifested in this feature of Institute work:

MR. GEORGE E. ALLEN,
Educational Director,
American Institute of Banking.

DEAR SIR:

I notice that the American Institute of Banking has offered prizes for essays on "American Currency Problems."

As a member and Vice-Chairman of the National Monetary Commission, I should be greatly pleased if you would forward me copies containing these essays. I am very glad that the American Institute of Banking has taken up this line of work, not only because it may bring forth many valuable suggestions, but because we wish to secure the interest and attention of all the people in our endeavor to evolve an American system of currency and banking suitable to the needs of the American people.

It is evident that such a system cannot be framed and enacted into law by any one man or any set of men, but must finally command the support of a majority of the people. The Monetary Commission will be engaged, probably for another year, in collecting exact information relating to currency and banking, not only in our own country but in all the leading foreign nations. We hope to collect the most complete mine of information upon this subject which has ever been collected. We are endeavoring to do this work entirely without bias in favor of any existing system or any preconceived ideas on the part of the commission, and when that is done it will become our duty to recommend to the Congress such changes or plans in our currency and banking laws as we think will best suit our needs.

It is a great work and we desire the support and co-operation of all men who, like the American Institute of Banking, are thinking and writing upon these subjects.

Very truly yours,

EDWARD B. VREELAND.

•LEGAL DEPARTMENT

THOMAS B. PATON • GENERAL COUNSEL

WE are publishing in this number for the information and co-operative assistance of all the members of the Association, the contents of a pamphlet prepared by General Counsel and approved by the Standing Law Committee, which has been issued for the use of legislative committees in the different states where the legislatures hold sessions during the present year.

The pamphlet contains drafts of proposed laws upon a variety of subjects connected with banking, some of which have already been enacted in a considerable number of states. These proposed laws have been put forth as suggestive measures in states where legislation of the same character may be needed. Accompanying the pamphlet is a list of states and territories in which the legislatures meet during 1909, showing date of assembly and limit of session, if any.

The pamphlet contains a newly-drafted law designed to punish the making of false statements in writing to obtain credit either from banks or mercantile houses. A law of this character was recommended in the report of the Committee on Credit Information to the Denver convention, and the law, as drafted, has been made quite broad in scope, full details of which are given in the explanatory note appended to the draft.

Other proposed laws included in the pamphlet are designed (1) to punish the malicious making of derogatory statements affecting banks—two measures, one for state and one for national enactment (2) to fix a time-limit of liability of a bank to its depositor for payment of forged or raised checks (3) to punish the giving of checks or drafts on banks wherein the maker has not sufficient funds or credit for their payment (4) to define and punish the crime of burglary with explosives (5) to authorize the payment of a deposit in two names to the survivor (6) to authorize the payment of a deposit in trust to the beneficiary upon death of the trustee (7) to establish a uniform law of stock transfers (8) to qualify notaries who are stockholders or officers of banks and corporations to take acknowledgments and make protests in certain cases (9) to insert certain words to clear up a doubt in the maturity section of the Negotiable Instruments Law (10) to amend the Negotiable Instruments Law relative to the payment of time instruments made payable at bank. Full explanation of these proposed laws is given in the notes appended to each draft.

Reference is also made to the Negotiable Instruments Law, with list of the thirty-six states and jurisdictions in which enacted and the eighteen states and jurisdictions where it remains to be enacted; to the uniform Warehouse Receipts Act, showing the ten states in which enacted; and to the Uniform Sales Act, which is now law in five states and one territory; also to laws existing in certain states government payment of deposits of minors, payment of checks for a limited period after drawer's death, defining due diligence in collection and prohibiting the use of bank titles by persons and corporations not entitled to use them.

We also publish in this number the contents of a pamphlet prepared by General Counsel and approved by the Committee on Bills of Lading, containing a proposed act relating to bills of lading, which has been drafted for state enactment pursuant to a resolution adopted at the conference held at Denver of the

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committees on bills of lading of twenty-eight State Bankers' Associations. Accompanying the pamphlet is an explanatory statement of Counsel, together with a tabulated table of state statutes prohibiting and punishing the issue of (1) false bills of lading (2) unmarked duplicates and (3) the delivery of goods without surrender of the bill. The table shows the states which have, and have not, statutes imposing criminal penalties and providing civil liability for violation of such prohibitions and will be of use to indicate where the newly-drafted act, which covers these subjects, is most needed. The pamphlet also contains a list of the 1909 legislatures.

A number of letters which have been received, following the issuing of the pamphlet containing drafts of proposed laws for state enactment, indicate that there is general need for a law to punish false statements for credit made in the various ways which are covered in the proposed draft. We publish an extract from a letter received from a Western banker of prominence upon the subject:

"I have read with no little interest all of the proposed laws. I have been most favorably impressed with the one in which it is sought to punish makers of false statements. I have been impressed for several years with the tendency of some people in seeking to misrepresent their financial condition. A few years ago I discussed setting apart a certain sum, \$10,000, for the purpose of prosecuting makers of false statements, but there was some anxiety for fear we might be charged with maliciousness, and it was not done. I think we will, however, put aside and carry in our statements and on our books an item 'For the prosecution of the makers of false statements.' I think the advertisement in the papers that such a fund is available for the specific purpose mentioned would deter many rascals from soliciting credit when they were not entitled to it. I wish you would let me know if there is any way in which I can aid in passing this law."

Copies of this bill have been furnished to the National Association of Credit Men, and that powerful organization will undoubtedly do all in its power to aid in the enactment of the law in the different states. When this bill (and the same remark applies to any other bill affecting banks) has been introduced in the legislature of any state, prompt advice should be forwarded to General Counsel of the fact and concerning who has the bill in charge, that this knowledge may be communicated to, and made available for the co-operative effort of, other organizations or individuals who are interested in its passage.

The Association has on hand quite a quantity of printed matter appertaining to the work of the Bills of Lading Committee, which will be sent to such members as may desire same if they will notify this office. The list is as follows:

- New Uniform Bills of Lading.
- Constitutionality of Proposed Act (H. R. 14934) relating to Bills of Lading.
- Pennsylvania Speech—L. E. Pierson.
- Little Rock, Arkansas, Speech—Thomas B. Paton.
- Jamestown, Virginia, Speech—Thomas B. Paton.
- Oklahoma Speech—Evans Woollen.
- Draft of (State) Act relating to Bills of Lading, with Statement of Counsel and Digest of State Statutes.

DRAFTS *of* PROPOSED LAWS APPROVED AND RECOMMENDED FOR ENACTMENT DURING 1909 BY THE STANDING LAW COMMITTEE OF THE AMERICAN BANKERS' ASSOCIATION

PREPARED by Thomas B. Paton, General Counsel American Bankers' Association, Counsel and Secretary of Standing Law Committee.

APPROVED by William J. Field, Chairman, Secretary and Treasurer Commercial Trust Co., Jersey City, N. J.; Henry Dimse, Vice-President Century Bank, New York City; P. C. Kauffman, Second Vice-President Fidelity Trust Co., Tacoma, Wash.; John K. Ottley, Vice-President Fourth National Bank, Atlanta, Ga.; Henry B. Wilcox, Vice-President and Cashier First National Bank, Baltimore, Md., Committee.

The following drafts of laws are submitted for the use of members of the American Bankers' Association, and Legislative Committees of State Bankers' Associations in those states where any of such laws may be needed and in which the legislatures meet during 1909. There is also one draft of law which is pending in Congress.

FALSE STATEMENTS FOR CREDIT.

AN ACT to punish the making or use of false statements to obtain credit.

Be it enacted, etc.

Any person who, either individually or in a representative capacity,

(1) shall knowingly make a false statement in writing to any person, firm or corporation engaged in banking or other business respecting his own financial condition or the financial condition of any firm or corporation with which he is connected as member, director, officer, employe or agent, for the purpose of procuring a loan, or credit in any form or an extension of credit from the person, firm or corporation to whom such false statement is made, either for his own use or for the use of the firm or corporation with which he is connected as aforesaid, or

(2) having previously made, or having knowledge that another has previously made, a statement in writing to any person, firm or corporation engaged in banking or other business respecting his own financial condition or the financial condition of any firm or corporation with which he is connected as aforesaid, shall afterwards procure on faith of such statement from the person, firm or corporation to whom such previous statement has been made, either for his own use or for the use of the firm or corporation with which he is so connected, a loan or credit in any form, or an extension of credit, knowing at the time of such procuring, that such previously made statement is in any material particular false, with respect to the present financial condition of himself or of the firm or corporation with which he is so connected, or

(3) shall deliver to any notebroker or other agent for the sale or negotiation of commercial paper any statement in writing, knowing the same to be false, respecting his own financial condition or the financial condition of any firm or corporation with which he is connected as aforesaid, for the purpose of having such statement used in furtherance of the sale, pledge or negotiation of any note, bill or other instrument for the payment of money made, or indorsed or accepted, or owned in whole or in part, by him individually or by the firm or corporation with which he is so connected, or

(4) having previously delivered, or having knowledge that another has previously delivered to any notebroker or other agent for the sale or negotiation of commercial paper, a statement in writing respecting his own financial condition, or the financial condition of any firm or corporation with which he is connected as aforesaid, shall afterwards deliver to such notebroker or other agent for the purpose of sale, pledge or negotiation on faith of such statement, any note, bill or other instrument for the payment of money made, or indorsed, or accepted, or owned in whole or in part, by himself individually or by the firm or corporation with which he is so connected, knowing at the time that such previously delivered statement is in any material particular false, as to the present financial condition of himself or of such firm or corporation,

shall be guilty of (felony or misdemeanor) and punishable by fine not exceeding one thousand dollars or imprisonment not exceeding five years, or both.

The above act has been drafted by General Counsel, pursuant to request of the Standing Law Committee, following recommendation contained in the report of the Committee on Credit Information that there be secured "the enactment of a statute providing for the severe punishment of any officer of a corporation convicted of obtaining money for such corporation by means of a false statement signed by him."

The draft has been broadened in scope to punish the officer, agent or individual who either for himself or for the firm or corporation he represents knowingly (1) makes a false statement to a bank or other person to procure a loan or credit in any form, (2) obtains a loan or credit upon a previously made statement which is false at the time the loan is procured, (3) delivers a false statement to a notebroker or other agent to influence the marketing of his or his firm's or corporation's paper, or (4) puts paper in a notebroker's hands for marketing on faith of a previously delivered statement, which is false as to present financial condition.

The proposed act (subdivisions 1 and 2) is drawn to punish false statements of financial condition to "any person, firm or corporation engaged in banking or other business," rather than, more specifically, to "any bank or trust company," etc. It has been intentionally so worded, that it may cover mercantile, as well as bank, credits. It is desirable, in the banking interest, that mercantile credits be protected.

Among the states which have enacted laws to punish false statements to procure credit are:

1905 *Wisconsin*: "Any person who shall designedly make any false statements in writing in reference to his assets or liabilities, or both, or the assets or liabilities of any corporation of which he is an officer or employee, for the purpose of procuring credit in any form, or for the purpose of procuring any extension of credit already given, shall be punished by imprisonment in the state prison not more than three years or less than one year, or by imprisonment in the county jail not more than one year, or by a fine not exceeding five hundred dollars."

1908 *Rhode Island*: (Part of Section 78. Banking Law) "Any person knowingly making a false statement to any bank, savings bank, banking association, or trust company respecting the financial condition of any person, firm, or corporation, for the purpose of obtaining a loan from such bank, savings bank, banking association, or trust company, whether for his own use or for the use of any other person, firm or corporation, shall be punished by imprisonment for not less than six months or more than five years."

Also covering mercantile credits.

1901 *Indiana*: "Whoever wilfully and knowingly makes any false statement in writing of his or her property valuation, real or personal or both, for the purpose of obtaining credit from any person, company, copartnership or corporation engaged in the sale of any article or articles of merchandise or other thing of value in the state of Indiana, and who by reason of such false statement does obtain credit from any such person, company, copartnership or corporation, shall be deemed guilty of a felony and, upon conviction thereof, shall be imprisoned in state's prison for a period of one year and fined in any sum not exceeding \$1,000."

BILL TO PUNISH DEROGATORY STATEMENTS AFFECTING BANKS.

Be it enacted, etc.

1. Any person who shall wilfully and maliciously make, circulate or transmit to another or others any statement, rumor or suggestion, written, printed or by word of mouth, which is directly or by inference derogatory to the financial condition or affects the solvency or financial standing of any bank, savings bank, banking institution or trust company* doing business in this state, or who shall counsel, aid, procure, or induce another to start, transmit or circulate any such statement or rumor, shall be guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine of not more than five thousand dollars or by imprisonment for a term of not more than five years, or both.

This proposed act was drafted by General Counsel in December, 1907, to punish persons who maliciously make or circulate derogatory statements or stories affecting the standing and credit of banking institutions—a kind of evil to which banks are peculiarly subject, and which often causes great injury not only to the bank or banks affected but to the general public. Existing criminal laws are inadequate to obtain the conviction and punishment of offenders.

As originally drafted, following a law of New Jersey, enacted in the spring of 1907, the act provided for the punishment of persons who "wilfully or maliciously" circulated stories "untrue in fact." The later draft aims at one who "wilfully and maliciously" circulates such stories, without the necessity of proving they are "untrue in fact," making the gist of the crime depend upon the maliciousness rather than upon the untruth of the injurious utterance. The new draft was made as the result of expert criticism demonstrating the unwisdom of bringing in the untruth as a material element of proof, which might require dragging a bank's entire financial condition into court before conviction could be obtained, the impracticability of which might defeat the ends of justice.

The law, substantially as above, has been enacted as follows:

1908 *Louisiana*: "That any person who shall wilfully and maliciously make, circulate, or transmit to another or others any statement, rumor, or suggestion, written, printed, or by word of mouth, which is directly or by inference derogatory to the financial condition, or affects the solvency or financial standing of any bank organized under the laws of the State of Louisiana, or who shall counsel, aid, procure, or induce another to start, transmit, or circulate any such statement or rumor, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be punished by a fine of not more than five thousand dollars and by imprisonment at hard labor for a term of not more than five years."

Following are the enactments in which the crime is made to depend upon the statement being "wilful or malicious" and also "untrue in fact."

* The names of banking institutions should be specified according to what they are termed in each particular state.

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1907 *New Jersey*: "Any person who shall wilfully or maliciously instigate, make, circulate or transmit to another or others any statement, untrue in fact, derogatory to the financial condition or affecting the solvency or financial standing of any bank, banking institution or trust company doing business in this state, or who shall counsel, aid, procure, or induce another to start, transmit or circulate any such statement or rumor, shall be guilty of a misdemeanor."

1908 *Rhode Island* (Part of Section 78, Banking Law of 1908): "Every person who shall wilfully or maliciously instigate, make, circulate, or transmit to another or others any statement, untrue in fact, derogatory to the financial condition or affecting the solvency or financial standing of any bank, savings bank, or trust company doing business in this state, or who shall counsel, aid, procure, or induce another to start, transmit, or circulate any such statement or rumor, shall, upon conviction thereof, be punished by imprisonment for a term not exceeding one year or by a fine not exceeding five hundred dollars, or by both such fine and imprisonment."

BILL TO PUNISH DEROGATORY STATEMENTS AFFECTING
NATIONAL BANKS.

A BILL

To amend the national banking laws, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that any person who shall wilfully and maliciously make, circulate, or transmit to another or others any statement, rumor or suggestion, written, printed or by word of mouth, which is directly or by inference derogatory to the financial condition or affects the solvency or financial standing of any national bank in the United States or who shall counsel, aid, procure, or induce another to start, transmit, or circulate any such statement or rumor, shall be guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not more than five thousand dollars or by imprisonment at hard labor for a term of not more than five years, or both.

SECTION 2. That this act shall take effect immediately.

This bill, drafted by General Counsel, was introduced in the House of Representatives, 60th Congress, December, 1907, by Mr. Dalzell, of Pennsylvania (substitute for H. R. 6091), and was referred to the Committee on Judiciary. It is regarded with favor by a large number of members of both Houses and is still pending. All bankers who desire the passage of this measure should write their representatives in its behalf.

FORGED OR RAISED CHECKS.

AN ACT fixing the liability of a bank to its depositor for payment of forged or raised checks.

Be it enacted, etc.

SECTION 1. No bank shall be liable to a depositor for the payment by it of a forged or raised check unless within one year after the return to the depositor of the voucher of such payment, such depositor shall notify the bank that the check so paid is forged or raised.

SECTION 2. All acts or parts of acts in conflict with the provisions of this act are hereby repealed.

It may be desirable to insert "or trust company" after the word "bank," twice appearing in above.

Heretofore enacted in

1904 *New York*: time limit "one year;" phraseology as above.

1905 *Wisconsin*: time limit "one year;" and the concluding part of section reads: "unless action therefor shall be brought against such bank within one year after the return to the depositor by such bank of the check so forged or raised as a voucher."

1905 *California*: time limit "one year." Contained in Statute of Limitations and bars action one year after payment. It reads: "340. Within one year * * * An action * * * by a depositor for the payment of a forged or raised check."

1905 *Montana*: Time limit "three years." Statute provides that the time in which an action can be commenced against a bank on account of a forged or raised check or draft is three years from the day in which the plaintiff, his agent, assignee or personal representative shall have been notified of such payment or he or they shall have received such check, order or note marked "paid."

1905 *South Dakota*: "Three months;" phraseology as first above.

1907 *Michigan*: "Three months;" phraseology as first above.

1907 *Washington*: "Sixty days;" phraseology as first above except "trust company" also expressly specified.

1907 *Oregon*: "Thirty days;" phraseology as first above.

1908 *New Jersey*: "One year;" phraseology as first above.

CHECK OR DRAFT WITHOUT FUNDS.

AN ACT to punish the giving of checks or drafts on any bank or other depositary wherein the person so giving such check or draft shall not have sufficient funds or a credit for the payment of the same.

Be it enacted, etc.

SECTION 1. Any person who shall, with intent to defraud, make or draw or utter or deliver to another person any check, draft or order for the payment of money upon any bank or other depositary, knowing at the time of such making, drawing, uttering or delivery that he has not sufficient funds in or credit with such bank or other depositary for the payment of such check, draft or order in full upon its presentation, shall be guilty of a (felony or misdemeanor), and upon conviction thereof shall be fined not more than five thousand dollars, or imprisoned not more than five years, or both. The word "credit" as used herein shall be construed to mean an arrangement or understanding with the bank or depositary for the payment of such check, draft or order.

The above draft of statute is designed to check the growing evil of giving "bad" checks; without such a statute offenders sometimes escaping conviction under statutes punishing the obtaining of money by false representations, where no representation other than the giving of the check is made (although many convictions are obtained where money or property is obtained by the mere giving of the check, without further representation that it is good). The proposed statute also covers the making and setting afloat of a "bad" check with intent to defraud, even though the maker, personally, directly obtains no money or property therefor.

The penalty can, of course, be varied in each state.

Statutes with the same general object have been enacted in Idaho and Indiana (1903), Washington (1905), California and North Carolina (1907), and in Rhode Island (1908). The text of these is given below.

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In Idaho punishment is limited to those who give bad checks "in payment of debts, however contracted." In Indiana and North Carolina it is limited to those who obtain money or property by reason of such checks. The Washington, California and Rhode Island statutes are broader, and substantially similar to the draft of statute above submitted. They punish the making or delivery of a "bad" check, with intent to defraud, and it is not necessary to prove that the offender obtained money or property thereon, as in Indiana and North Carolina, or that he gave it in payment of a debt "in whatsoever manner contracted," as in Idaho.

1903 Idaho: "Any person who shall in payment of any debt in whatsoever manner contracted give any check or draft upon any bank or banking association wherein such person shall not have sufficient funds or credit for the payment of the same, shall be guilty of a misdemeanor and upon conviction thereof shall be fined not to exceed five hundred dollars or imprisoned in the county jail not to exceed six months, or both such fine and imprisonment."

1903 Indiana: "Any person who, with intent to defraud, by color or aid of a check, draft or order for the payment of money or the delivery of property, although no express representation is made in reference thereto, obtains from another any money or property, when the drawer or maker of such check, draft or order is not entitled to draw on the drawee for the sum specified therein, or to order payment of the money or delivery of the property, shall be deemed guilty of a felony and upon conviction thereof, shall be fined in any sum not less than one hundred dollars and not more than five thousand dollars, to which may be added imprisonment in the states' prison not exceeding five years."

1905 Washington: "Any person who shall, with intent to defraud, make or draw or utter or deliver to another person any check or draft on a bank or other depository for the payment of money, knowing at the time of such drawing or delivery that he has not sufficient funds in, or credit with, said bank or depository to meet said check in full upon its presentation, shall be guilty of a felony, and upon conviction thereof shall be punished by imprisonment in the penitentiary for not more than five years or less than one year, or imprisonment in the county jail for any length of time not exceeding one year. The word 'credit' as used herein shall be construed to mean an arrangement or understanding with the bank for payment of such check or draft."

1907 California: "Every person who, wilfully, with intent to defraud, makes or draws or utters or delivers to another person any check or draft on a bank, banker or depository for the payment of money, knowing at the time of such making, drawing, uttering or delivery, that he has not sufficient funds in or credit with such bank, banker or depository to meet such check in full upon its presentation, is punishable by imprisonment in the state prison for not less than one year nor more than fourteen years. The word 'credit' as used herein shall be construed to be an arrangement or understanding with the bank or depository for the payment of such check or draft."

1907 North Carolina: "That every person who, with intent to cheat and defraud another, shall obtain money, credit, goods, wares, or anything of value by means of a check, draft or order of any kind upon any bank, person, firm or corporation, not indebted to drawer, or where he has not provided for the payment or acceptance, and the same be not paid upon presentation, shall be guilty of a misdemeanor, and upon conviction, shall be fined or imprisoned, or both, at the discretion of the court."

1908 Rhode Island (Section 77, Banking Law of 1908): "Any person who shall, with intent to defraud, make or draw or utter or deliver to another person any check, draft, or order on a bank, savings bank, or trust company, knowing at the time of such drawing or delivery that he has not sufficient funds or credit with said bank, savings bank, or trust company to meet said check, draft, or order in full

upon its presentation, shall, upon conviction thereof, be fined not less than five hundred dollars or more than five thousand dollars, or imprisoned not less than six months or more than five years, or both such fine and imprisonment. The word 'credit' as used herein shall be construed to mean an arrangement or understanding with the bank, savings bank, or trust company for payment of such check, draft, or order."

BURGLARY WITH EXPLOSIVES.

AN ACT defining the crime of burglary with explosives and providing the punishment therefor.

Be it enacted, etc.

SECTION 1. That any person who (with intent to commit crime) breaks and enters, either by day or by night, any building whether inhabited or not, and opens or attempts to open any vault, safe or other secure place by use of nitro-glycerine, dynamite, gunpowder or any other explosive, shall be deemed guilty of burglary with explosives.

SECTION 2. That any person duly convicted of burglary with explosives shall be sentenced to the penitentiary in the discretion of the court for a period of not more than twenty years.

The above, exclusive of the words in parentheses, is the language of an act of the legislature of Maryland, approved April 3, 1906, and taking effect from the date of its passage. It is deemed a good model to follow, except that the insertion of the words "with intent to commit crime" would seem advisable, for it is conceivable that a building might be broken into and explosives used upon a safe for legitimate purposes (for example, in the emergency of an adjacent fire, to rescue valuable contents, where the safe could not be opened in the ordinary way). Statutes defining and punishing the crime of burglary with explosives have been enacted in other states as follows:

1904 Kentucky: "That any person or persons who shall by force or violence, steal, take or carry away or attempt by such means to steal, take or carry away from any bank, money, notes, securities or any other thing of value or who shall, by means of explosives or any other force, unlawfully open or attempt to open, any safe belonging to or used by any person, firm, bank, or corporation or company in which is kept money, notes, securities, books or any other thing of value, shall be guilty of a felony; and upon conviction thereof shall be confined in the penitentiary, not less than two nor more than twenty years."

1905 Delaware: "SECTION 1. Any person who with intent to commit burglary, breaks and enters, in the nighttime, a building in which there is a human being, and commits burglary by the use of nitro-glycerine, dynamite, gunpowder, or any other high explosive, shall be deemed guilty of burglary by the use of explosives, which shall be a felony, and shall be fined not less than one thousand nor more than five thousand dollars, shall be whipped with not less than twenty nor more than forty lashes, and shall be imprisoned for a term not less than twenty-five years nor more than forty years.

"SEC. 2. Any person who with intent to commit burglary, breaks and enters, in the nighttime, a building in which there is no human being and commits burglary by the use of nitro-glycerine, dynamite, gunpowder or any other high explosive, shall be deemed guilty of burglary with explosives and felony, and shall be fined not less than five hundred dollars nor more than two thousand dollars, shall stand one hour in the pillory, shall be whipped with not less than fifteen nor more than twenty-five lashes, and shall be imprisoned for a term not less than ten years nor more than twenty years."

1907 Colorado: "Any person who, with the intent to commit any crime, breaks and enters any building and, for the purpose of committing any crime, uses or attempts to use nitro-glycerine, dynamite, gunpowder or any other explosive, is guilty of burglary with explosives and

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on conviction shall be punished by imprisonment for a term of not less than twenty-five nor more than forty years."

1907 *Michigan*: Same language as Colorado except the word "high" is inserted before "explosive" and penalty is "not less than fifteen nor more than thirty years."

1907 *Montana*: "Any person who enters a building belonging to another with intent to commit a felony or other crime by the use of nitro-glycerine, dynamite, gunpowder or other high explosives or who commits burglary by the use of any such explosives is guilty of burglary with explosives. Section 2. Burglary with explosives is punishable by imprisonment in state prison for not less than fifteen years, and not more than forty years."

1907 *Nebraska*: "Any person who breaks and enters, either by day or by night, any building, whether inhabited or not, and opens or attempts to open any vault, safe, or other secure place by the use of nitro-glycerine, dynamite, gunpowder or any other explosive, with intent to steal or injure the property of another, shall be deemed guilty of burglary with explosives. Any person duly convicted of burglary with explosives shall be sentenced to the penitentiary for life or for any term not less than twenty years."

1907 *New Jersey*: "Any person who shall wilfully or maliciously break or enter any church, meeting house, dwelling house, shop, banking house, warehouse, mill, barn, stable, outhouse, railway car, canal boat, ship or vessel, or other building whatever, with intent to kill, rob or steal, and who, for the purpose of effectuating such intent, uses, or attempts to use, nitro-glycerine, dynamite, powder or any other high explosive, and his counselors, procurers, aiders and abettors, shall be guilty of a high misdemeanor and punished by imprisonment at hard labor for a period not exceeding forty years or a fine not exceeding five thousand dollars or both, at the discretion of the court."

1907 *North Dakota*: "Any person who with intent to commit any crime, breaks into or enters a building and commits or attempts to commit a crime by the use of nitro-glycerine, dynamite, gunpowder or any other high explosive, is guilty of a felony. Any violation of this act is punishable by imprisonment in the penitentiary of this state for not less than twenty years nor more than forty years."

1907 *Oregon*: "If any person shall break and enter any building in the nighttime with intent to commit a crime therein, and shall in the commission of, or attempt to commit such crime, use or attempt to use nitro-glycerine, dynamite, gunpowder or other high explosive, such person shall be deemed guilty of burglary with explosives and upon conviction thereof shall be punished by imprisonment in the penitentiary for not less than five years nor more than forty years."

1907 *South Dakota*: "Section 1. (Burglary in the Second Degree.) A person who, with intent to commit burglary, breaks and enters in the nighttime a building and commits or attempts burglary by the use of nitro-glycerine, dynamite, gunpowder or any other high explosive, is guilty of burglary with explosives in the second degree. Sec. 2. (Burglary in First Degree.) A person who, with intent to commit burglary, breaks and enters in the nighttime a building in which there is a human being, and commits or attempts burglary by the use of nitro-glycerine, dynamite, gunpowder or any other high explosive, is guilty of burglary with explosives in the first degree. Sec. 3. (Punishment.) Burglary with explosives in the first degree is punishable by imprisonment in the state penitentiary for not less than twenty-five years and burglary with explosives in the second degree is punishable by imprisonment in the state penitentiary for not less than fifteen years nor more than twenty-five years."

1907 *Minnesota*: "Every person who, with intent to commit some crime therein, shall break and enter the dwelling house of another in which there is a human being, under circumstances not amounting to burglary in the first degree, or, any person who, with intent to commit some crime therein, shall break or enter any room or building, whether occupied by a human being at the time or not, wherein a general banking business is carried on, or any structure wherein a business of re-

ceiving public or private funds on deposit is done, shall be guilty of burglary in the second degree and punished by imprisonment in the state prison for not more than ten years."

1907 New Hampshire: "Section 1. That any person who, with intent to commit burglary, breaks and enters in the nighttime any building in which there is a human being, and commits a burglary by the use of nitro-glycerine, dynamite, gunpowder or any other explosive, shall be deemed guilty of burglary with explosives, and any person convicted of such offense shall be punished by imprisonment in the state prison at hard labor for a period of not less than twenty years and not more than thirty years.

"Sec. 2. That any person who, with intent to commit burglary, breaks and enters in the daytime any building in which there is a human being, and commits a burglary by the use of nitro-glycerine, dynamite, gunpowder or any other explosive, shall be deemed guilty of burglary with explosives, and any person convicted of such offense shall be punished by imprisonment in the state prison at hard labor for a period of not less than fifteen years and not more than thirty years.

"Sec. 3. That any person who, with intent to commit burglary, breaks and enters in the nighttime any building in which there is no human being, and commits a burglary by the use of nitro-glycerine, dynamite, gunpowder or any other explosive, shall be deemed guilty of burglary with explosives, and any person convicted of such offense shall be punished by imprisonment in the state prison at hard labor for a period of not less than ten years and not more than thirty years.

"Sec. 4. That any person who, with intent to commit burglary, breaks and enters in the daytime any building in which there is no human being, and commits a burglary by the use of nitro-glycerine, dynamite, gunpowder or any other explosive, shall be deemed guilty of burglary with explosives, and any person convicted of such offense shall be punished by imprisonment in the state prison at hard labor for a period of not less than five years and not more than thirty years."

PAYMENT OF DEPOSITS IN TWO NAMES.

Be it enacted, etc.

1. When a deposit has been made, or shall hereafter be made, in any (specify institutions) transacting business in this state in the names of two persons, payable to either, or payable to either or the survivor, such deposit, or any part thereof, or any interest or dividend thereon, may be paid to either of said persons whether the other be living or not; and the receipt or acquittance of the person so paid shall be a valid and sufficient release and discharge to the bank for any payment so made.

2. This act shall take effect immediately.

The above is the text of a law, first enacted in 1906 in New Jersey, applicable solely to savings banks, designed to clear up the legal doubt concerning the authority of a savings bank, upon the death of one of the two parties to a two-name account, to pay over the deposit to the survivor.

In 1907 (Ch. 40) New Jersey passed the same law, making it applicable to deposits in banks and trust companies, ending the act with "living or not" and omitting the clause "and the receipt or acquittance of the person so paid shall be a valid and sufficient release and discharge to the bank for any payment so made."

The New Jersey legislation has been followed in other states, as shown below. In only one of them (New York) is it confined to savings banks; and there it goes beyond an authority to pay and creates a joint tenancy title in the two parties. In Louisiana it is extended to deposits in safe deposit vaults. In Washington the act does not apply to deposits in excess of \$300. In some of the states the legislation contemplates that savings deposits may be made in the names of more than two persons.

- 1907 *Maine*: Chapter 66 amends Savings Bank Act by providing: "When money is deposited in the names of two or more persons, payable to either, the whole or any part thereof, may be paid to either of such persons with or without the consent of the other, before or after the death of the other."
- 1907 *Maine*: Chapter 119. Enacts law as first above set out, applicable to banks and trust companies.
- 1907 *Minnesota*: Chapter 468. (Concluding Part of Sec. 6.) "And whenever any deposit shall be made by or in the names of two or more persons upon joint and several account, the same or any part thereof and the dividends or interest thereon may be paid to either of such persons or to a survivor of them or to a personal representative of such survivor." (Refers to "any deposit made in any bank or savings bank." Previous part of section relates to deposits of minors and in trust.)
- 1907 *California*: Chapter 75. "When a deposit is made in the name of two or more persons, deliverable or payable to either or to their survivor or survivors, such deposit or any part thereof, or increase thereof, may be delivered or paid to either of said persons or to the survivor or survivors in due course of business."
- 1907 *Oregon*: Chapter 138. General Banking Law, Section 19, concluding portion: "When a deposit has been made or shall hereafter be made in the name of two persons, payable to either, or payable to either or the survivor, such deposit or any part thereof, or interest or dividends thereon, may be paid to either of said persons whether the other be living or not, and the receipt or acquittance of the person so paid shall be valid and sufficient release and discharge to the bank for any payment so made. This section shall apply to all banking institutions, including national banks, within this state."
- 1907 *Washington*: Chapter 80. "When a deposit has been made or shall hereafter be made in any bank or trust company transacting business in this state in the name of two persons, payable to either of such persons, such deposit or any part thereof, or interest or dividends thereon, may be paid to either of the said persons whether the other be living or not and the receipt or acquittance of the person so paid shall be valid and sufficient release and discharge to such bank or trust company for any payment so made: Provided, that this act shall not apply to deposits in excess of three hundred (\$300) dollars."
- 1907 *New York*: Chapter 247 amends Section 114 of the Banking Law, relative to the payment of deposits in savings banks, by adding thereto: "When a deposit shall be made by any person in the names of such depositor and another person and in form to be paid to either or the survivor of them, such deposit thereupon and any additions thereto made by either of such persons upon the making thereof shall become the property of such persons as joint tenants and the same together with all interest thereon shall be held for the exclusive use of the persons so named and may be paid to either during the lifetime of both or to the survivor after the death of one of them and such payment and the receipt or acquittance of the one to whom such payment is made shall be a valid and sufficient release and discharge to said bank for all payments made on account of such deposit prior to receipt by said bank of notice in writing not to pay such deposit in accordance with the terms thereof."
- 1908 *Rhode Island*: (Section 67, General Banking Law.) "When a deposit has been or shall be made in any bank, savings bank or trust company in the name of two persons and payable to either or to the survivor, such deposit, or any part thereof, or any interest or dividend thereon, may be paid to either of said persons, whether the other be living or not, and the receipt of the person so paid shall be a valid and sufficient release and discharge on account of the payment so made."
- 1908 *Louisiana*: (1) "That when a deposit has been made, or shall hereafter be made, in any bank, savings bank or trust company transacting business within this state, under the names of two or more persons, payable to either or payable to either of the survivors, such deposit, or any part thereof, or any interest or dividend thereon, may

be paid to either of said persons, whether the other or others be living or not, and the receipt or acquittance of the person so paid shall be a valid, sufficient and complete release and discharge of the bank, savings bank, or trust company for any payment so made." (2) "That when a safety deposit vault shall have been hired, or shall hereafter be hired from any bank, savings bank or trust company, transacting business in this state, under the names of two or more persons, with the right of access being given to either, or with access to either of the survivor or survivors of said persons, such survivor or survivors, whether the other or others be living or not, shall have the right of access to such deposit vault, and may remove therefrom the contents of said box; provided, that in all cases where such removal shall have been made, the said bank, savings bank or trust company, shall be exempt from any liability for permitting the said survivor or survivors access thereto."

PAYMENT OF DEPOSITS IN TRUST.

Be it enacted, etc.

Whenever any deposit shall be made (specify institutions) by any person in trust for another, and no other or further notice of the existence and terms of a legal and valid trust shall have been given in writing to the bank, in the event of the death of the trustee, the same, or any part thereof, together with the dividends or interest thereon, may be paid to the person for whom said deposit was made.

The above is the text (excluding words in parentheses) of an enactment of the New York legislature contained in Chapter 371 of the Laws of 1875, as part of Section 24 of the Savings Bank Act. It now constitutes part of Section 114 of the Banking Law of New York, applicable to savings banks. It has been enacted identically, or in substance, as part of the savings bank laws of several other states, and has, in some states, been extended to trust deposits in other than savings banks. Such enactments have been deemed necessary, or at all events desirable, to protect or justify the bank in making payment to the beneficiary upon death of the trustee, and their language is permissive, not compulsory. In 1876 Massachusetts enacted a savings bank statute on the same subject, as follows:

"If a deposit be made with such corporation by one person in trust for another, the name and residence of the person for whom it is made shall be disclosed, and it shall be credited to the depositor as trustee for such person; and if no other notice of the existence and terms of a trust has been given in writing to the corporation, the deposit, with the interest thereon, may in case of the death of the trustee, be paid to the person for whom such deposit was made, or to his legal representative."

The Massachusetts statute has also been followed as a model in the savings bank legislation of some of the New England states. In the new Banking Law of Rhode Island, enacted in 1908, it constitutes Section 66 and is made applicable to deposits "with any bank, savings bank or trust company by one person in trust for another."

New Jersey, in 1903, enacted substantially the New York law, as a supplement to its Trust Company Law, but makes the concluding portion of the law read: "* * * * may be paid to the person for whom the said deposit was made, or to his or her legal representatives; provided that the person for whom the deposit was made, if a minor, shall not draw the same during his or her minority without the consent of the legal representatives of said trustee."

The New York and Massachusetts legislation is submitted for the consideration of the legislative committees in states where a law on this subject does not exist and may be needed.

UNIFORM LAW OF STOCK TRANSFERS.

AN ACT to establish a law uniform with laws of other states relative to the transfer of stock of corporations.

Be it enacted, etc.

SECTION 1. That the delivery of a stock certificate of a corporation to a bona fide purchaser or pledgee for value, together with a written transfer of the same, or a written power of attorney to sell, assign and transfer the same, signed by the owner of the certificate, shall be a sufficient delivery to transfer the title as against all parties; but no such transfer shall affect the right of the corporation to pay any dividend due upon the stock, or to treat the holder of record as the holder in fact, until such transfer is recorded upon the books of the corporation, or a new certificate is issued to the person to whom it has been so transferred.

SECTION 2. This act shall take effect immediately.

In the majority of states the courts hold that a transfer of stock on the books of the corporation is not necessary to protect the title of the purchaser or pledgee for value of the certificate, to whom the same has been delivered, accompanied by written transfer in blank or otherwise, or written power of attorney to transfer. The foregoing act is only necessary where the law is otherwise, or doubt exists on the point. Following is the record of its enactment:

- 1884 *Massachusetts*: Chapter 229.
1887 *New Hampshire*: Chapter 16.
1888 *Rhode Island*: Chapter 690.
1891 *Wisconsin*: Chapter 414.
1897 *Maine*: Chapter 293.
1904 *Louisiana*: Chapter 180.
1907 *Montana*: Chapter 143 reads: "shall be a sufficient delivery to transfer the title as against the creditors of the transferor and subsequent purchasers; but no such," etc.

COMPETENCY OF BANK NOTARIES.

AN ACT concerning notaries public who are stockholders, directors, officers or employees of banks or other corporations.

Be it enacted, etc.

SECTION 1. That it shall be lawful for any notary public who is a stockholder, director, officer or employee of a bank or other corporation to take the acknowledgment of any party to any written instrument executed to or by such corporation, or to administer an oath to any other stockholder, director, officer, employee or agent of such corporation, or to protest for non-acceptance or non-payment bills of exchange, drafts, checks, notes and other negotiable instruments which may be owned or held for collection by such bank or other corporation: Provided, it shall be unlawful for any notary public to take the acknowledgment of an instrument by or to a bank or other corporation of which he is a stockholder, director, officer or employee, where such notary is a party to such instrument, either individually or as a representative of such bank or other corporation, or to protest any negotiable instrument owned or held for collection by such bank or other corporation, where such notary is individually a party to such instrument.

SECTION 2. All acts or parts of acts inconsistent with this act are hereby repealed.

SECTION 3. This act shall take effect immediately.

In New Jersey, and possibly in a few other states, notaries public are not empowered to take acknowledgments of deeds, mortgages, etc., but in most of the states, notaries have such power. Where, however, the notary is stockholder of a bank which is party to the instrument acknowledged, a majority of the state courts that have passed upon the question hold that the notary is disqualified to take the acknowledgment. The reason is that his indirect pecuniary interest as stockholder of one of the parties makes it improper for him so to act. But this idea of impropriety is negatived by the fact (1) that Kansas, in 1905, passed an act making the notary competent in such cases, (2) that several state legislatures have enacted laws validating past notarial acts of this character and (3) that a minority of state courts have held the notary competent though a stockholder. As the act is ministerial only and as in many of the smaller banks throughout the country the cashier, who is a stockholder, is often the only available official to act as notary, this act has been drafted by General Counsel for enactment. It makes it lawful for a notary who is stockholder or officer to take acknowledgments, administer oaths or make protests in the disputed cases except in those cases where the notary is a party to the instrument individually or as a representative of the bank.

MATURITY OF NEGOTIABLE INSTRUMENTS.

AN ACT to amend Section — of the Negotiable Instruments Law by the insertion of the words "or becoming payable" after "falling due" therein.

Be it enacted, etc.

SECTION 1. Section — of the Negotiable Instruments Law is hereby amended so as to read as follows: Section —. Every negotiable instrument is payable at the time fixed therein without grace. When the day of maturity falls upon Sunday or a holiday, the instrument is payable on the next succeeding business day. Instruments falling due *or becoming payable* on Saturday are to be presented for payment on the next succeeding business day, except that instruments payable on demand may, at the option of the holder, be presented for payment before twelve o'clock noon on Saturday when that entire day is not a holiday.

1898 *New York.*

1906 *Virginia.*

1907 *Missouri.*

Also in original enactment of Kansas law in 1905.

The original draft of the maturity section of the Negotiable Instruments Law contained the provision that "Instruments falling due on Saturday are to be presented for payment on the next succeeding business day, except" an option to present demand paper for payment on Saturday forenoon. This original section has been enacted in the laws of most of the states. A doubt having arisen as to the proper time for presentation of time paper which fell due on a Friday which was a legal holiday, the legislature of New York in 1898 amended the section by inserting the words "or becoming payable" after "falling due," so as to make it clear beyond question that a time instrument falling due on a holiday-Friday would not be presentable until the Monday following. In a few of the states the entire provision as to Saturday is omitted; but in the majority, where the section is the same as originally enacted in New York, the words "or becoming payable" do not appear, excepting New York, Virginia, Kansas and Missouri. The above enactment should be procured in all those states where the maturity section is in the same phraseology, but omits those words. The next holidays which fall on Friday will be December 25, 1908; January 1, 1909; February 12, 1909, in some states.

INSTRUMENTS PAYABLE AT BANK.

AN ACT to amend the Negotiable Instruments Law relative to the payment of instruments made payable at a bank.

Be it enacted, etc.

SECTION 1. Section — of the Negotiable Instruments Law is hereby amended so as to read as follows: Section — Where the instrument is made payable at a bank it is equivalent to an order to the bank to pay the same for the account of the principal debtor thereon. *But where the instrument is made payable at a fixed or determinable future time, the order to the bank to pay is limited to the day of maturity only.*

SECTION 2. This act shall take effect immediately.

The Negotiable Instruments Law provides (Section 147, N. Y. Act): "Where the instrument is made payable at a bank it is equivalent to an order to the bank to pay the same for the account of the principal debtor thereon." A conflict of opinion has arisen whether a bank at which a customer makes a time note or acceptance payable has a right, or is under duty, to make payment on any day except that of maturity fixed therein. The point has not been decided in this country, but in Australia a similar conflict of opinion led to a decision that the bank must pay, although presented after maturity. This is contrary to the opinion of many bankers in the United States, although there are some who think the bank must, or can, pay, when presented on any subsequent day. To clear up the doubt the above has been drafted as an amendment of the section by the addition of the following clause: "But where the instrument is made payable at a fixed or determinable future time, the order to the bank to pay is limited to the day of maturity only."

OTHER SUBJECTS.

Statutes exist in a number of states upon a variety of subjects in regulation of different transactions of banking, the inclusion of which in this pamphlet as suggestive measures would unduly extend its length. Among others the following:

PAYMENT OF SAVINGS DEPOSITS TO MINORS.

In about twenty-five states statutes have been enacted, in varying phraseology, authorizing the payment of such deposits to the minor; and in 1907 North Carolina passed a law covering deposits of a minor, in other than savings banks, authorizing deposits standing in the name of a minor in any state or national bank to be paid directly to such minor.

PAYMENT OF CHECKS AFTER DEATH OF A DEPOSITOR.

Massachusetts and Virginia have passed laws authorizing a bank to pay checks for a limited period after death of the drawer.

DEFINING DUE DILIGENCE IN COLLECTION OF CHECKS OR DRAFTS.

Statutes have been enacted in Vermont, Kentucky and South Dakota providing that the forwarding of checks and drafts for collection "in the usual commercial way now in use, according to the regular course of business" shall be "considered due diligence in the collection of such check or draft." In South Dakota there is the additional proviso that such forwarding shall be "to the direct correspondent."

USE OF TERM "BANK," ETC.

In the Banking Laws of a number of states provisions exist prohibiting the use of the words "bank," "savings bank," "trust company," etc., by persons or corporations not entitled to use such words.

THE NEGOTIABLE INSTRUMENTS LAW.

This law has been enacted, down to date, in thirty-six states or jurisdictions as follows:

1897	New York. Connecticut. Colorado. Florida.	1902	Ohio. New Jersey. Iowa.
1898	Massachusetts. Maryland. Virginia. Rhode Island.	1903	Idaho. Montana.
1899	Tennessee. North Carolina. Wisconsin. North Dakota. Utah. Oregon. Washington. District of Columbia.	1904	Kentucky. Louisiana.
1901	Pennsylvania. Arizona.	1905	Kansas. Wyoming. Missouri. Michigan. Nebraska.
		1907	New Mexico. West Virginia. Illinois. Nevada. Hawaii. Alabama.

It is still to be enacted in:

Alaska.	New Hampshire.
Arkansas.	Oklahoma.
California.	Porto Rico.
Delaware.	Panama Canal Zone.
Georgia.	Philippines.
Indiana.	South Carolina.
Maine.	South Dakota.
Minnesota.	Texas.
Mississippi.	Vermont.

THE UNIFORM WAREHOUSE RECEIPTS ACT.

The Warehouse Receipts Act (approved and recommended by the Commissioners on Uniform Laws) has been enacted in the following ten states:

1907	Connecticut. Illinois. Iowa. Massachusetts. New Jersey. New York.	1908	Louisiana. Ohio. Rhode Island. Virginia.
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THE UNIFORM SALES ACT.

This act (approved and recommended by the Commissioners on Uniform Laws) has been passed in the following five states and one territory:

1907	Arizona. Connecticut. New Jersey.	1908	Massachusetts. Ohio. Rhode Island.
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Further information concerning any of the above laws can be obtained upon application to Thomas B. Paton, General Counsel American Bankers' Association, 11 Pine Street, New York City.

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General Counsel has undertaken and has under way a compilation of the statutory law of all the states relating to banks, savings banks and trust companies, the intention being to accompany the laws of each state with a separate classification or digest of the provisions relating to each class of institution. This work, in its entirety, cannot be completed in time for use by legislatures which meet in 1909. Such compilation and digest will prove extremely valuable in the framing of future banking legislation in states which are now without General Banking Laws, as well as in states where the present laws are inadequate or unsatisfactory.

DRAFT *of* AN ACT RELATING TO BILLS OF LADING
PREPARED FOR STATE ENACTMENT PURSUANT
TO RESOLUTION ADOPTED AT DENVER CONFER-
ENCE OF STATE BILL OF LADING COMMITTEES;
WITH STATEMENT OF COUNSEL, DIGEST OF STATE
STATUTES ON MATTERS COVERED BY PROPOSED
BILL, LIST OF 1909 LEGISLATURES *

PREPARED by Thomas B. Paton, General Counsel American Bankers' Association, of Counsel Committee on Bills of Lading.

APPROVED by Lewis E. Pierson, President Irving National Exchange Bank, New York City; Frank O. Wetmore, Vice-President First National Bank, Chicago, Ill.; William Livingstone, President Dime Savings Bank, Detroit, Mich.; William Ingle, Vice-President Merchants' National Bank, Baltimore, Md.; J. A. Lewis, Cashier National Bank of Commerce, St. Louis, Mo., Committee.

An Act Relating to Bills of Lading

Be it enacted, etc.

SECTION I. (ORDER BILL OF LADING DEFINED.) That whenever any common carrier, railroad or transportation company (hereinafter termed carrier) shall issue a bill of lading for the transportation of property from one place to another within this state, or between places one of which is within this state, which bill shall be, or purport to be, drawn to the order of the shipper or other specified person, or which shall contain any statement or representation that the property described therein is, or may be deliverable upon the order of any person therein mentioned, such bill shall be known as an "Order Bill of Lading" and shall conform to the following requirements:

(a) In connection with the name of the person to whose order the property is deliverable, the words "Order of" shall prominently appear in print on the face of the bill, thus: "Consigned to Order of _____."

(b) The bill shall be printed on yellow paper, 8½ inches wide by 11 inches long.

(c) It shall contain on its face the following provision: "The surrender of this Original Order Bill of Lading properly indorsed shall be required before delivery of the property."

(d) It shall not contain the words "Not Negotiable" or words of similar import. If such words are placed on an Order Bill of Lading, they shall be void and of no effect.

(e) Nothing herein shall be construed to prohibit the insertion in an Order Bill of Lading of other terms or conditions not inconsistent with the provisions of this act; but it shall be unlawful to insert in such bill any terms or conditions contrary to, or inconsistent with, such provisions.

SECTION 2. (STRAIGHT BILL OF LADING DEFINED.) Whenever a bill of lading is issued by a carrier for the transportation of property from one place to another within this state, or between places one of which is within this state, in which the property described therein is stated to be consigned or deliverable to a specified person, without any statement or representation that such property is consigned or deliverable to the order of any person, such bill shall be known as a "Straight Bill of Lading" and shall contain the following requirements:

- (a) The bill shall be printed on white paper 8½ inches wide by 11 inches long.
- (b) The bill shall have prominently stamped upon its face the words "Not negotiable."
- (c) Nothing herein shall be construed to prohibit the insertion in a Straight Bill of Lading of other terms or conditions not inconsistent with the provisions of this act; but it shall be unlawful to insert in such bill any terms or conditions contrary to or inconsistent with such provisions.

SECTION 3. (PENALTY FOR VIOLATING REQUIREMENTS.) Every carrier, or officer, agent or servant of a carrier, who shall knowingly violate any of the requirements stated in subdivisions (a) (b) (c) (d) or (e) of Section 1 and in subdivisions (a) (b) or (c) of Section 2 shall be guilty of a misdemeanor and punishable by fine of not more than one thousand dollars or imprisonment not more than one year, or both.

SECTION 4. (ISSUE OF FALSE BILL OR UNMARKED DUPLICATE UNLAWFUL.) It shall be unlawful for any carrier, or for any officer, agent or servant of a carrier, to issue an Order Bill of Lading or a Straight Bill of Lading, as defined by this act, until the whole of the property as described therein shall have been actually received and is at the time under the actual control of such carrier, to be transported; or to issue a second or duplicate Order Bill of Lading or Straight Bill of Lading for the same property, in whole or in part, for which a former bill of lading has been issued and remains outstanding and uncancelled, without prominently marking across the face of the same the word "Duplicate."

SECTION 5. (PENALTY AND CIVIL LIABILITY FOR VIOLATION.) Every carrier, or officer, agent or servant of a carrier, who knowingly violates the provisions of Section 4 of this act and every person who negotiates or transfers for value a bill of lading known by him to have been issued in violation of said Section 4 shall be guilty of a misdemeanor and upon conviction shall be punished by fine not exceeding five thousand dollars or imprisonment not exceeding five years, or both.

And every carrier who himself, or by his officer, agent or servant authorized to issue bills of lading, issues a false or duplicate bill of lading in violation of the provisions of Section 4 of this act, shall be estopped, as against all and every person or persons injured thereby who shall acquire any such false or duplicate bill of lading in good faith and for value, to deny the receipt of the property as described therein, or to assert that a former bill of lading has been issued and remains outstanding and uncancelled for the same property, as the case may be; and such issuing carrier shall be liable to any and every such person for all dam-

ages, immediate or consequential, which he or they may have sustained because of reliance upon such bill, whether the person or persons guilty of issuing or negotiating such bill shall have been convicted under this section or not.

SECTION 6. (PENALTY UPON SHIPPER WITHOUT TITLE.) Every person who receives from a carrier and fraudulently negotiates for value an Order or Straight Bill of Lading representing property to which he had no, or an encumbered, title, at the time of the negotiation of such bill, shall be guilty of a misdemeanor and upon conviction shall be punished by fine not exceeding five thousand dollars or imprisonment not exceeding five years, or both.

SECTION 7. (SURRENDER OF ORDER BILL.) It shall be unlawful for any carrier, or officer, agent or servant of a carrier, to deliver the property described in an Order Bill of Lading without requiring surrender and making cancellation of such bill, or in case of partial delivery, indorsing thereon a statement of the property delivered; provided, that in lieu of such delivery, it shall be lawful for the carrier, or his officer, agent or servant in his behalf, to take from the person to whom such property is delivered a good, sufficient and valid bond in a sum double the value of the property, conditioned that such person shall, within a reasonable time thereafter, deliver to the carrier the original Order Bill of Lading issued for said property or shall pay the value of said property to the carrier upon demand; and upon the execution and delivery of said bond as aforesaid, it shall be lawful for the carrier, or his officer, agent or servant, to deliver the goods to the person claiming title thereto, without requiring the immediate surrender of said Order Bill of Lading. Every carrier, or officer, agent or servant of a carrier, who knowingly violates the provisions of this section shall be guilty of a misdemeanor and upon conviction shall be punished by fine not exceeding five thousand dollars or imprisonment not exceeding five years, or both.

And every carrier who by himself, or by officer, agent or servant authorized to deliver goods upon surrender of an Order Bill of Lading, violates the provisions of this section, shall be estopped as against all and every person or persons injured thereby who shall acquire in good faith and for value any such Order Bill of Lading, from asserting that the property as described therein, has been delivered; and such delivering carrier shall be liable to any and every such person for all damages, immediate or consequential, which he or they may have sustained because of reliance upon such bill, whether the person or persons violating this section have been convicted of such violation or not.

Provided, that the provisions of this section shall not apply where the property is replevied or removed from the possession of the carrier by operation of law; or has been lawfully sold to satisfy the carrier's lien; or in cases of sale or disposition of perishable, hazardous or unclaimed goods in accordance with law or the terms of the bill of lading.

SECTION 8. (ALTERATION.) Any material alteration, addition or erasure in or to an Order Bill of Lading or a Straight Bill of Lading, fraudulent or otherwise, shall be without effect and in the hands of a bona fide holder for value, not a party to the alteration thereof, such bill shall be valid and may be enforced according to its original tenor. Provided, however, that an alteration, addition or erasure in or to any such bill of lading with signature thereto indorsed thereon, by the issuing carrier, or his officer, agent or servant in his behalf, and with the consent of the holder thereof, shall be valid and effective.

STATEMENT AS TO
An Act Relating to Bills of Lading

(By THOMAS B. PATON, General Counsel, American Bankers' Association.)

The accompanying bill, "An Act Relating to Bills of Lading," has been drafted by General Counsel of the American Bankers' Association, for enactment in certain of the states, in pursuance of a resolution adopted at Denver, on September 28th, by a joint conference of committees on Bills of Lading of 28 State Bankers' Associations with the Committee on Bills of Lading of the American Bankers' Association.

At such conference, the facts appearing that there is pressing need in a number of states for laws giving greater security to those who deal in bills of lading, that a large number of State Legislatures meet biennially in 1909 and that at the last annual conference of the Commissioners on Uniform State Laws, consideration of their proposed draft of a uniform law governing bills of lading was postponed for another year and the draft will not be available for the 1909 Legislatures, it was deemed wise that an act be at once drafted covering the points most urgently needed.

The accompanying draft has therefore been prepared for enactment by the legislatures of the different states wherein a law of this character may be needed. Its general object is to enact into law the distinction recognized by the Interstate Commerce Commission between Order and Straight Bills of Lading and the requirements recommended by the Commission for each of said bills; to punish, with appropriate penalties, the issue of false bills, of duplicates not so marked, and the delivery of goods without surrender of Order bills; furthermore, to provide a civil liability of the carrier to injured persons by reason of such violations. A section is also added making materially altered bills good for their original tenor in the hands of bona fide holders and not destroyed completely as at common law.

Provisions governing negotiability of bills of lading, and the measure thereof, have not been inserted because that subject is fully covered by the Draft of Uniform Law pending before the Conference of Commissioners on Uniform State Laws and the exact measure of negotiability to be given to bills of lading is a question upon which all members of the Conference are not finally agreed. Pending the recommendation of this uniform law, it has been thought best to leave this subject as now governed by the common and statute law of the different states.

A large part of the losses of money advanced upon bills of lading is by reason of the issue, by agents, of bills of lading before or without the receipt of the goods. The proposed act not only punishes the agent who either criminally, or to oblige the shipper, engages in this practice, but makes the carrier civilly liable to the bona fide holder of the bill for all damages sustained; it imposes like punishment and affords like protection in cases of issue of duplicate bills, without marking them duplicate, and in cases also where Order Bills of Lading are left outstanding after the goods are delivered. These provisions with the require-

ments as to form, and including the printing of the words "Order of" upon, and the omission of "Not Negotiable," from Order bills, will relieve bankers and consignees who pay drafts from the great risks now incurred, in many parts of the country.

In some states existing legislation is fairly adequate to protect bona fide holders in cases of false and unmarked duplicate bills and of delivery of goods without surrender of bills, and the urging of the proposed law in such states is, therefore, not necessary, except in so far as it may be advisable to enact a distinction between straight and order bills and define the requirements of each, and also to validate altered bills according to their original tenor.

A brief synopsis of the Act follows:

SECTION 1. Defines an Order Bill of Lading; requires "Order of" prominently printed before name of consignee; requires yellow paper 8½ inches wide by 11 inches long; requires statement that surrender will be required before delivery of property; prohibits insertion of "Not Negotiable"; prohibits insertion of terms contrary to provisions of act; permits insertion of terms not inconsistent therewith.

SECTION 2. Defines Straight Bill of Lading; requires white paper 8½ by 11; requires printing of "Not Negotiable" thereon; prohibits terms inconsistent with provisions of act; permits insertion of terms not inconsistent.

SECTION 3. Provides criminal penalty for violation of any of above requirements.

SECTION 4. Makes it unlawful to issue a false bill or a duplicate without so marking.

SECTION 5. Provides criminal penalty for violation of above against carrier or agent issuing or person negotiating; also civil liability of carrier to aggrieved party for damages arising from acquirement of any such false or unmarked duplicate bill.

SECTION 6. Provides criminal penalty on shipper who has no title or an encumbered title to goods shipped.

SECTION 7. Requires surrender of Order bill upon delivery of property, or indorsement thereon in case of partial delivery, or the taking of a bond where Order bill can not be immediately surrendered. Punishes criminally carrier or agent who violates these requirements and imposes civil liability upon carrier to persons injured by unlawful delivery. Exempts from requirement of surrender of bill or bond, upon delivery of goods, cases where property taken from carrier by process of law, or where lawfully sold to satisfy his lien or certain cases of sale or disposal of perishable, hazardous or unclaimed goods.

SECTION 8. Provides that material alteration shall be without effect and bill good for original tenor in hands of bona fide holder for value. Further, where alteration made and signed by issuing carrier with consent of shipper, it shall be valid.

STATE STATUTES COVERING (1) FALSE BILLS OF LADING, (2) UNMARKED DUPLICATES, (3) DELIVERY WITHOUT SURRENDER OF BILL.

BLANKS INDICATE NO PROVISION.

STATE (Or Territory, Etc.)	FALSE BILLS		UNMARKED DUPLICATES		DELIVERY WITHOUT SURRENDER	
	Criminal Penalty	Civil Liability	Criminal Penalty	Civil Liability	Criminal Penalty	Civil Liability
ALABAMA	Not exceeding \$1,000, not more than any 5 years.	Carrier liable to thereby for all damages, immediate or consequential, resulting therefrom.	Same.	Same.	Same. Property taken from carrier under legal process excepted. Bills marked "Not Negotiable" exempted.	Same.
ARIZONA	Not exceeding 5 years, \$1,000, or both.		Not exceeding 5 years, \$1,000, or both. Excepts property taken by process of law.	Same.	Same. Surrender not required where property replevied or removed by operation of law. Carrier may take valid bond in place of surrender.	Same.
ARKANSAS	Not exceeding 5 years, \$5,000, or both. Not applicable against person or corporation issuing bill "Not Negotiable."	Persons aggrieved to recover damages. Not applicable to bills marked "Not Negotiable."				
CALIFORNIA	Not exceeding 5 years, \$5,000, or both.		Not exceeding 5 years, \$1,000, or both.			

STATE STATUTES COVERING (1) FALSE BILLS OF LADING, (2) UNMARKED DUPLICATES, (3) DELIVERY WITHOUT SURRENDER OF BILL.—*Continued.*

BLANKS INDICATE NO PROVISION.

STATE (Or Territory, Etc.)	FALSE BILLS		UNMARKED DUPLICATES		DELIVERY WITHOUT SURRENDER	
	Criminal Penalty	Civil Liability	Criminal Penalty	Civil Liability	Criminal Penalty	Civil Liability
COLORADO						
CONNECTICUT						
DELAWARE						
DISTRICT OF COLUMBIA						
FLORIDA			Issue of false vessel bill to defraud insurer punishable by fine or imprisonment.			
GEORGIA						
IDAHO						
ILLINOIS						
INDIANA						
IOWA			False vessel bill to defraud insurer punishable by fine or imprisonment.			
KANSAS						

STATE STATUTES COVERING (1) FALSE BILLS OF LADING, (2) UNMARKED DUPLICATES, (3) DELIVERY WITHOUT SURRENDER OF BILL.—*Continued.*

BLANKS INDICATE NO PROVISION.

STATE (Or Territory, Etc.)	FALSE BILLS		UNMARKED DUPLICATES		DELIVERY WITHOUT SURRENDER	
	Criminal Penalty	Civil Liability	Criminal Penalty	Civil Liability	Criminal Penalty	Civil Liability
KENTUCKY						
LOUISIANA	Not exceeding \$5,000, or 5 years, or both.	Persons aggrieved have action at law for damage sustained.	Same.	Same.	Same. B/L stamped "Not Negotiable" exempted. Does not apply to property repledged or removed by operation of law.	Same.
MAINE	False vessel bill to defraud insurer punishable not more than 10 years or not exceeding \$5,000.				\$1,000 to \$5,000 against corporation; \$100 to \$5,000 against individual; 1 to 3 years.	\$1,000 to \$5,000 against corporation; \$100 to \$5,000 against individual; 1 to 3 years.
MARYLAND	\$1,000 to \$5,000.		B/L conclusive evidence in hands <i>bona fide</i> holder for value \$100 to \$5,000 against without notice that individual; 1 to 3 goods actually received, notwithstandinging fact otherwise and agent had no authority to issue except for goods actually received.		\$1,000 to \$5,000 against corporation; \$100 to \$5,000 against individual; 1 to 3 years.	\$1,000 to \$5,000 against corporation; "Order" bill continuing \$100 to \$5,000 against individual; 1 to 3 obligation to same extent as if goods not delivered and carrier liable for delivery of goods to any person or subsequent holder for value without notice.

STATE STATUTES COVERING (1) FALSE BILLS OF LADING, (2) UNMARKED DUPLICATES, (3) DELIVERY WITHOUT SURRENDER OF BILL.—*Continued.*

BLANKS INDICATE NO PROVISION.

STATE (Or Territory, Etc.)	FALSE BILLS		UNMARKED DUPLICATES		DELIVERY WITHOUT SURRENDER	
	Criminal Penalty	Civil Liability	Criminal Penalty	Civil Liability	Criminal Penalty	Civil Liability
MASSACHUSETTS	False vessel bill to defraud insurer: state's prison not more than 10 years; jail not more than 2 years; fine not more than \$5,000.					
MICHIGAN	Not exceeding \$2,000, 3 years, or both. False vessel bill to defraud insurer: state's prison not more than 5 years; county jail not more than 1 year, or not exceeding \$5,000.					
MINNESOTA	Not exceeding 1 year, \$1,000, or both.		Not exceeding 1 year, \$1,000, or both.			

STATE STATUTES COVERING (1) FALSE BILLS OF LADING, (2) UNMARKED DUPLICATES, (3) DELIVERY WITHOUT SURRENDER OF BILL.—*Continued.*

BLANKS INDICATE NO PROVISION.

STATE (Or Territory, Etc.)	FALSE BILLS		UNMARKED DUPLICATES		DELIVERY WITHOUT SURRENDER	
	Criminal Penalty	Civil Liability	Criminal Penalty	Civil Liability	Criminal Penalty	Civil Liability
MISSISSIPPI		Every B/L conclusive evidence in hands of <i>bona fide</i> holder for value as against person or corporation issuing same, that property received.				Same. Not applicable to property repledged or removed by operation of law.
MISSOURI ²⁶	Not exceeding \$5,000, 5 years, or have action at law both. Bills marked against person or corporation violating act for all damages, immediate or consequential, sustained. Bills marked "Not Negotiable" exempted.	Persons aggrieved	Same.			
MONTANA	Not exceeding 5 years, \$1,000, or both.				Not exceeding 5 years, \$1,000, or both.	
NEBRASKA	Not exceeding 4 nor less than 1 year.					

STATE STATUTES COVERING (1) FALSE BILLS OF LADING, (2) UNMARKED DUPLICATES, (3) DELIVERY WITHOUT SURRENDER OF BILL.—*Continued.*

BLANKS INDICATE NO PROVISION.

STATE (Or Territory, Etc.)	FALSE BILLS		UNMARKED DUPLICATES		DELIVERY WITHOUT SURRENDER	
	Criminal Penalty	Civil Liability	Criminal Penalty	Civil Liability	Criminal Penalty	Civil Liability
NEVADA						
NEW HAMPSHIRE						
NEW JERSEY						
NEW MEXICO						
NEW YORK	Not exceeding 1 year, \$1,000, or both.		Not exceeding 1 year, \$1,000, or both.		Not exceeding 1 year, \$1,000, or both. Does not apply to bills marked "Not Negotiable," or "Not Negotiable," or when property demanded by virtue of legal process.	
NO. CAROLINA						
NORTH DAKOTA	1 to 5 years, not exceeding \$1,000, or both.		1 to 5 years, not exceeding \$1,000, or both.		1 to 5 years, not exceeding \$1,000, or both. Not applicable to bills marked "Not Negotiable," or when property demanded by virtue of process of law.	

STATE STATUTES COVERING (1) FALSE BILLS OF LADING, (2) UNMARKED DUPLICATES, (3) DELIVERY WITHOUT SURRENDER OF BILL.—*Continued.*

BLANKS INDICATE NO PROVISION.

STATE (Or Territory, Etc.)	FALSE BILLS		UNMARKED DUPLICATES		DELIVERY WITHOUT SURRENDER
	Criminal Penalty	Civil Liability	Criminal Penalty	Civil Liability	
OHIO	1 to 4 years.		Not exceeding 5 years, or \$1,000, or both.		Not exceeding 5 years, or \$1,000, or both. Not applicable to bills marked "Not Negotiable," or where property demanded by virtue of process of law.
OKLAHOMA	Not exceeding 5 years, or \$1,000, or both.				Same.
OREGON	False vessel bill to defraud insurer, 6 months to 3 years.				Same.
PENNSYLVANIA	Not exceeding \$1,000, or 5 years, or both.		Persons aggrieved by Bills marked against persons violating to recover all damages sustained.		Persons aggrieved at law against persons violating to recover all damages sustained.
RHODE ISLAND	"Not Negotiable" empited.		Bills marked "Not Negotiable" empited.		
SO. CAROLINA					

STATE STATUTES COVERING (1) FALSE BILLS OF LADING, (2) UNMARKED DUPLICATES, (3) DELIVERY WITHOUT SURRENDER OF BILL.—*Continued.*

BLANKS INDICATE NO PROVISION.

STATE (Or Territory, Etc.)	FALSE BILLS		UNMARKED DUPLICATES		DELIVERY WITHOUT SURRENDER Criminal Penalty	Civil Liability
	Criminal Penalty	Civil Liability	Criminal Penalty	Civil Liability		
SOUTH DAKOTA	1 to 5 years, not exceeding \$1,000, or both.		1 to 5 years, not exceeding \$1,000, or both.		1 to 5 years, not exceeding \$1,000, or both. Not applicable to bills marked "Not Negotiable," or when property demanded by virtue of process of law.	
TENNESSEE						
TEXAS						
UTAH						
VERMONT						
VIRGINIA						
WASHINGTON						
WEST VIRGINIA						
WISCONSIN			1 to 3 years, or not exceeding \$1,000.			Same. Property acquired by legal process exempted.
WYOMING						

Legislatures of 1909

Date of Assembly.		Limit of Session.
		Days.
January.		
18th	Arizona	60
11th	Arkansas	60
4th	California	60
6th	Colorado	90
6th	Connecticut	None
5th	Delaware	60
11th	Idaho	60
6th	Illinois	None
7th	Indiana	60
11th	Iowa	None
12th	Kansas	50
6th	Maine	None
6th	Massachusetts	None
6th	Michigan	None
5th	Minnesota	90
6th	Missouri	70
4th	Montana	60
5th	Nebraska	60
18th	Nevada	50
6th	New Hampshire	None
12th	New Jersey	None
18th	New Mexico	60
6th	New York	None
6th	North Carolina	60
5th	North Dakota	60
4th	Oklahoma	60
11th	Oregon	40
5th	Pennsylvania	None
5th	Rhode Island	None
12th	South Carolina	40
5th	South Dakota	60
4th	Tennessee	75
12th	Texas	60
11th	Utah	60
11th	Washington	60
13th	West Virginia	45
13th	Wisconsin	None
12th	Wyoming	40
April.		
6th	Florida	60
June.		
23d	Georgia	50

OPINIONS

Summary of Questions Received and Opinions Rendered to Members of the Association

LIABILITY OF INDORSER ON RAISED DRAFT

Where a draft to bearer is drawn for "_____ twelve dollars," the word "twelve" being written at the right of the line and a space also being left between the \$ mark and the figures "12," and is indorsed in that condition and afterwards fraudulently raised to "five hundred and twelve dollars" in words and figures, and negotiated to a bank by the drawer on faith of the indorsement, the authorities conflict as to the right of recourse of bank upon indorser for the full amount.

FROM TEXAS.—The Second National Bank of Fort Blue, Tex., cashed a draft for Mr. John Jones, who was unknown to them, upon the indorsement of Mr. William Smith. When the Second National Bank of Fort Blue sent this draft to the First State Bank of Allington, upon whom the instrument was drawn, the Bank of Allington returned same with the pencil notation upon the back, "Drawer not known." Upon receiving the item back dishonored, the Second National Bank of Fort Blue presented same to Mr. William Smith, upon whose indorsement the Second National Bank of Fort Blue had relied for protection in cashing the draft. Mr. William Smith acknowledges the indorsement on the back of the instrument to be genuine, but claims that when he indorsed the draft the amount was for \$12, instead of \$512, and refuses to protect the Second National Bank of Fort Blue.

We enclose draft marked "A" which is drawn in accordance with the way in which Mr. William Smith claims that the instrument was when he indorsed it (Draft signed "John Jones" payable to order of Bearer, bearing indorsement "William Smith" with written amount stated thus "twelve 00/100 Dollars" and a space between \$ mark and "12"). The draft marked "B" shows the condition the draft was in when it was paid (Amount in writing "Five hundred and twelve 00/000 dollars"; figures "\$512").

Please advise your opinion upon the subject and cite decisions.

At common law, a material alteration avoided a negotiable instrument even in the hands of a bona fide holder for value. This rule has been modified by the Negotiable Instruments Law (not yet in force in Texas) to the extent of making the instrument good for its original tenor in the hands of such holder. But where, in cases like the present, the maker (or as in this case, the indorser) has negligently left blanks partly or wholly unfilled so that the instrument has been readily altered without giving it a suspicious appearance and negotiated to a bona fide holder, some courts have held the maker responsible to the latter while others have made no exception because of the maker's negligence and have held the instrument non-enforceable even by a bona fide holder.

Among the last stated class of cases is *Bank of Herington v. Wangerin* decided by the Supreme Court of Kansas, in October, 1902. A note for \$60.00 was written by the payee upon a printed blank in such manner that after the maker had signed it, the payee was enabled to insert the figure "1" before the figures "60," and to write in the line before the word "sixty" the words "one hundred and." This was all done in such a manner that no one would be able to discover the change by the closest scrutiny. The note was sold for \$160.00 to the Bank of Herington. The court held that no recovery could be had on the note from the maker, notwithstanding his negligence in signing the original sixty dollar note in such form as to permit the fraudulent alteration. The court cited decisions from Massachusetts, Arkansas, Iowa, Maryland, Indiana and South Dakota, in support of its conclusion.

To the contrary, the Court of Appeals of Kentucky held in 1900 (*Bank v. Halderman*), in a case where the holder of a note had raised it from \$350.00 to \$2,350.00 by inserting words and figures of increase, which were in the same handwriting as the body of the note, that the innocent purchaser could recover of the negligent maker the full amount. The court said:

"The law in this State is well settled that if a negotiable bill or note is so negligently drawn with blank spaces left for the addition of other words or figures, so that alterations can be made therein without exciting the suspicion of an ordinarily prudent business man, the loss ought to fall on the party in fault."

In 1902 the same court made a like decision (*Hackett v. First National Bank of Louisville*) in a case where a \$500.00 note was raised to \$2,550.00, the words "five hundred" having been written in the middle of the line so as to permit "twenty" to be written preceding and the words "and fifty" following, all on the same line without anything on the face of the note indicating the alteration. The court in this case stated that the Kentucky rule was sustained by cases in Pennsylvania, Illinois, Missouri and Alabama.

In 1904 the Supreme Court of Nebraska (*Humphrey Hardware Co. v. Herrick*) held to the same effect, in a case where the note was altered by the payee inserting in blank spaces the rate and date of interest and place of payment. Following is the official syllabus: "The alteration of a negotiable promissory note after delivery, by filling in the blanks left therein, where there is nothing on the face of the note to indicate such alteration, will not invalidate the note in the hands of a bona fide indorsee for value before maturity, and without notice of such change. If the negligence of one influences and induces an act whereby an innocent man is injured the culpable party must sustain the loss."

The latest decision on the subject is by the New York Supreme Court, Appellate Division, Third Department (*National Exchange Bank of Albany v. Lester*, decided May 8, 1907), and the case is on all fours with the one submitted by you except that the instrument involved was a note instead of a check. In that case a note was executed for seventy-five dollars, written on a blank form, the words "seventy-five" just preceding the printed word "dollars," leaving about half the line blank and a space being left between the \$ sign and the figures "75." In this condition the note was indorsed for accommodation. Thereafter the note was raised by the writing in of "three hundred" before the "seventy-five" and the insertion of "3" before "75," and it was negotiated to plaintiff bank as a note for \$375.

In an action by the bank against the indorser to recover the full amount of the raised note, a judgment in favor of the bank was affirmed, it being held: The indorsement of a note with blanks negligently left, as in this case, so as to permit or invite fraudulent alteration will render the indorser liable to a holder for value, where the note has been raised, for the full amount, upon the principle that if one by his acts, silence or negligence, misleads another or effects a transaction whereby an innocent party suffers, the blamable party must bear the loss.

In the above, I have attempted a hurried review of some of the authorities on both sides of the question presented. The clear justice, it seems to me, is in favor of the rule which holds the maker or indorser who has negligently signed or indorsed a note with the blanks only partially filled liable to the holder for value where the instrument has been thereafter altered by filling the blanks. The court in the New York case last cited says:

"I think it may be accepted as the recognized rule of the law merchant that, where blanks negligently left, as in this case, are filled, the party who has invited the fraud by leaving the blanks should stand the loss, rather than a holder for value."

If the Texas courts recognize this rule, then the Second National Bank of Fort Blue will be entitled to recover from Mr. William Smith the \$512.00 it paid on the draft.

Claim Against Bankrupt's Estate

Creditor who is partly secured entitled to dividends on unpaid balance.

FROM TENNESSEE.—An industrial corporation issues bonds amounting to \$10,000 on its real estate, building and machinery, and pledges these bonds to their bank to secure an indebtedness or any renewals up to \$7,000. When this indebtedness to the bank reached \$7,000, the bank declined to extend further credit on this security, but, at the instance of the Board of Directors, a temporary loan of \$3,000 was granted, to be repaid out of a sale of its product then in preparation. Before the contemplated sale was effected, however, the corporation went into the hands of a receiver, and was shortly

afterward adjudged a bankrupt. From a sale of the bonded property the bank realized a sufficient amount to pay the indebtedness of \$7,000, which was applied in that way.

Now, could the bank claim a pro rata of the balance of the assets to meet the balance of \$3,000, or a part thereof? Or, as a holder of a secured debt, which was of the same amount as the bonds deposited, must it rely solely on this security? We are of the opinion that inasmuch as the original debt was only \$7,000, and the balance was intended as a special or temporary accommodation not considered in the same manner as the former, though naturally secured, as the bank held the bonds for any indebtedness, the bank would be entitled to apply the proceeds of sale of the bonded property to the original debt, and the \$3,000 would be prorated with the other debts.

Your view is correct that you would be entitled to pro rate the balance of \$3,000 with the other debts of the bankrupt. Under the Bankrupt Law a creditor, secured as in your case, may realize upon his security and prove for such sum as may be owing above the value of his security.

Section 57H of the Bankrupt Law of 1898 provides: "The value of securities held by secured creditors shall be determined by converting the same into money according to the terms of the agreement, pursuant to which such securities were delivered to such creditors, or by such creditors and the trustee, by agreement, arbitration, compromise or litigation, as the court may direct, and the amount of such value shall be credited upon such claims, and a dividend shall be paid only on the unpaid balance."

See Loveland on Bankruptcy, third edition, page 611; also Section 56B and Section 57E concerning the right of participation at creditors' meetings.

Indorsement Before Payee

Contract and liability is that of indorser.

FROM MARYLAND.—A desires to borrow \$1,000 from a bank and offers B as an indorser upon his paper and the loan is approved by the bank. Suppose when A sends in his note he has made it payable to the order of the bank and B's name appears upon the back as an indorser, as per the enclosed copy (Note payable to order of bank signed by A and indorsed by B). Can the bank collect this note from B should he resist payment?

Under the Negotiable Instruments Law which is in force in Maryland, the contract and liability of B is that of an indorser. In the event that A refuses to pay at maturity, upon due demand made, B can be made to pay, provided he has been charged as indorser by due notice of dishonor.

Promise to Pay Check by Telephone

Not legally binding on bank and where payment subsequently stopped, bank should not pay.

FROM WEST VIRGINIA.—A buys from B (a bank) an ice plant for \$900, B furnishing A an invoice of same. When A takes up the machinery he finds various parts of the machinery included in invoice missing. A deducts \$80 from contract price of plant for parts missing and gives B check on C (bank) for \$820 and proceeds to load out plant. B then proceeds to sue out an attachment for the \$80. A, realizing that the attorneys and justice are favorable to B, gives B a check for \$80 on C, stating in check that this sum is for parts of the machinery he did not get. B at once calls up C over the 'phone and asks C if it will pay A's checks for \$900—one for \$820 and one for \$80—but without saying anything about the controversy or giving any description of the \$80 check. A having \$900 to his credit with C, C tells B that it will pay the checks, but before payment A notifies C not to pay the \$80 check. The \$80 check still belongs to B. What is the duty of C in the premises? Does it have to pay the \$80 check?

The duty of C bank is to obey the stop-payment order of its customer and refuse payment of the check. The C bank cannot be compelled by B to pay. Cases of this kind frequently happen and it has been held under the Negotiable Instruments Law that the promise of a bank to pay a check, made over the telephone, is not legally obligatory upon it as that law requires acceptances to be in writing. The telephone promise is, therefore, not binding as an acceptance and until accepted the bank is not liable to the holder upon

the check. The stop-payment order having been received before actual payment, the bank's duty to the depositor to obey his instructions and not pay the check takes precedence.

Check Indorsed by Drawer

Check not indorsed by payee but indorsed by drawer, is not payable to bearer.

FROM PENNSYLVANIA.—I enclose a memorandum check for an example, as follows: (Check signed by S. A. Smith, payable to order of John Jones, indorsed on back S. A. Smith). When a check is drawn to the order of a second party and the said payee does not indorse but it is indorsed by the maker of the check, does this make the check payable to bearer?

The check enclosed is drawn payable "to the order of John Jones," signed "S. A. Smith"; it is not indorsed by the payee but is indorsed in blank by the drawer "S. A. Smith."

The check does not fall within any of the definitions of a bearer check under the Negotiable Instruments Law unless John Jones is a fictitious person. The Negotiable Instruments Law provides that "the instrument is payable to bearer * * * (3) when it is payable to the order of a fictitious or non-existing person and such fact was known to the person making it so payable."

It not infrequently occurs that checks so drawn and indorsed are presented to the bank for payment. Notwithstanding the seeming authority to pay conferred by the drawer's indorsement, the safest rule to follow would be to refuse payment to the holder until properly indorsed unless the depositor should expressly instruct the bank to pay. Suppose, for example, Smith has given this check to Jones and indorsed it on the back, for the purpose of vouching for the genuineness of Jones' indorsement, but that Jones loses the check before indorsing it and it is presented by the finder to the bank. Payment in such case, the check not being payable to order and not bearing indorsement of the payee, would be at the bank's peril.

Shares of North Carolina Corporations

Book transfer not necessary to protect holder of shares as collateral security—a correction.

In the JOURNAL for November (see page 169), we published the statement that it was necessary, under the law of North Carolina, for a bank holding shares of a North Carolina corporation as collateral security to have the same transferred on the books of the corporation to protect the stock against attaching creditors of the pledgor.

This statement was based on the authority of Jones on Pledges and Collateral Securities, Section 219a note (second edition 1901), in which it is directly stated that in North Carolina, transfer on the books is essential to protect the pledgee against attachment; and was also in accordance with a Table published by the Boston Clearing House in 1904, showing the different States in which it is necessary and not necessary for the pledgee to record his title upon the books, it being stated as to North Carolina that "A transfer should be made on the books of the corporation;" these statements also being in accord with Morehead v. Western N. C. R. R. Co., 96 N. C. 362.

But it appears that in 1903 the Supreme Court of North Carolina adopted a contrary view and that since the decisions in Havens v. Bank, 132 N. C. 214 (reversing the lower court), and Cox v. Dowd, 133 N. C. 537, it seems reasonably clear that under the present law of North Carolina, an assignment of certificate of stock of a North Carolina Corporation, without book transfer, is sufficient to protect the assignee against claims of attaching creditors of the record owner. In Cox v. Dowd the court says (page 540): "The recent opinion in Havens v. Bank, 132 N. C. 214, especially what is said at pages 222-225, renders it unnecessary to discuss the effect of a transfer in blank of a certificate of stock, which it is there held, 'passes the entire title, legal and equitable, in the shares' notwithstanding any requirement in the Charter or By-Laws that the stock shall be transferable only on the books of the corporation."

The statement in the November JOURNAL is, therefore, corrected in accordance with the later North Carolina decisions on the subject.

JOURNAL OF THE AMERICAN BANKERS' ASSOCIATION

STATE BANKERS' ASSOCIATIONS, 1908-9

ORGANIZATION OF SECRETARIES OF STATE BANKERS' ASSOCIATIONS

Organized November 13, 1902.

OFFICERS

W. F. KEYSER, Sedalia, Mo., President.

L. P. HILLYER, Macon, Ga., First Vice-President.

L. O. BROUSSARD, Abbeville, La., Second Vice-Pres.

FRED. E. FARNSWORTH, New York, N. Y., Sec. & Tr.

BOARD OF CONTROL

ANDREW SMITH, Indianapolis, Ind.
E. O. ELDRIDGE, New York City

N. P. GATLING, Lynchburg, Va.
J. W. HOOPES, Austin, Tex.

L. A. COATE, Boise, Idaho

CONVENTIONS TO BE HELD IN 1909

Jan. 27. Massachusetts.....	(Annual Dinner) Hotel Somerset, Boston
May 27, 28, 29. California.....	Del Monte, Monterey
June 21, 22, 23. American Institute of Banking.....	Seattle
June 24, 25, 26. Pacific Northwest States (Oregon, Idaho, Montana, California, Washington).....	Seattle
Sept. 7-8. Pennsylvania.....	Bedford Springs

ALABAMA—ORGANIZED 1892.

President—W. P. G. HARDING, Vice-President Birmingham Clearing House, Birmingham;
Vice-President—H. L. MC'DELDERRY, President Talladega National Bank, Talladega.
Secretary-Treasurer—MCLANE TILTON, Jr., Cashier Bank of St. Clair County, Pell City.

ARIZONA—ORGANIZED 1903.

President—M. J. CUNNINGHAM, Cashier Bank of Bisbee, Bisbee.
Vice-President—C. A. VAN DORN, Asst. Cashier Gila Valley Bank & Trust Co., Clifton.
Secretary—MORRIS GOLDWATER, President Commercial Trust Co., Prescott.
Treasurer—LLOYD B. CHRISTY, Cashier Valley Bank, Phoenix.

ARKANSAS—ORGANIZED 1891.

President—SAM W. REYBURN, President Union Trust Company, Little Rock.
Vice-Presidents—G. QUARLES, Helena; M. C. HUDSON, Pine Bluff; F. N. HANCOCK, Menia; D. W. PEEL, Bentonville; C. B. FOSTER, Hope; A. L. SMITH, Clarendon; D. B. RENFRO, Jr., Corning.
Secretary—C. T. WALKER, Cashier Little Rock Trust Company, Little Rock.
Treasurer—C. M. BLOCKER, Treasurer State Savings Co., Texarkana.

CALIFORNIA—ORGANIZED 1891.

President—Jos. D. RADFORD, Vice-President German-American Savings Bank, Los Angeles.
Vice-President—H. S. FLETCHER, President Bank of Watsonville.
Treasurer—JAMES J. FAGAN, Vice-President Crocker National Bank, San Francisco.
Secretary—R. M. WELCH, Assistant Cashier San Francisco Savings Union, San Francisco.
Assistant Secretary—F. H. COLBURN, 502 California Street, San Francisco.

CANADIAN—ORGANIZED 1893.

President—E. S. CLOUSTON, General Manager Bank of Montreal.
Secretary and Treasurer—J. T. P. KNIGHT, Montreal, Que.

COLORADO—ORGANIZED 1902.

President—GORDON JONES, Vice-President The United States National Bank, Denver.
Vice-President—ALBERT A. REED, President The Mercantile Bank and Trust Company, Boulder.
Secretary and Treasurer—GUY L. V. EMERSON, Cashier Silverton National Bank, Silverton.

CONNECTICUT—ORGANIZED 1899.

President—B. G. BRYAN, Secretary Colonial Trust Company, Waterbury.
Vice-President—C. C. BARLOW, Cashier Yale National Bank, New Haven.
Secretary—C. E. HOYT, Secretary and Treasurer South Norwalk Trust Company, South Norwalk.
Treasurer—C. LESLIE HOPKINS, Cashier First National Bank, Norwalk.

DISTRICT OF COLUMBIA—ORGANIZED 1901.

President—W. V. COX, President Second National Bank, Washington.
Vice-President—E. J. STELLWAGEN, President Union Trust Co., Washington.
Secretary—WILLIAM A. MEARN'S of Messrs. Lewis Johnson & Co., Washington.
Treasurer—G. O. WALLSON, Cashier, Washington Exchange Bank, Washington.

FLORIDA—ORGANIZED 1889.

President—F. A. WOOD, President National Bank of St. Petersburg.
Vice-Presidents—H. E. TAYLOR, Gainesville; F. F. BARNETT, Lake City; J. A. GRIFFIN, Tampa; C. E. GARNER, Jacksonville; J. S. REESE, Pensacola.
Secretary and Treasurer—GEORGE R. DESAUSURE, Cashier Barnett National Bank, Jacksonville.

GEORGIA—ORGANIZED 1892.

President—HORACE A. CRANE, Vice-President Citizens' and Southern Bank, Savannah.
Vice-Presidents—E. D. WALTER, Brunswick; J. P. HEARD, Sr., Vienna; A. O. BLALOCK, Fayetteville; J. P. MUNNERYN, Albany; B. I. HUGHES, Rome.
Secretary—L. P. HILLYER, Vice-President American National Bank, Macon.
Treasurer—E. C. SMITH, Cashier Griffin Banking Company, Griffin.

JOURNAL OF THE AMERICAN BANKERS' ASSOCIATION

IDAHO—ORGANIZED 1905.

President—F. W. KETTANBACH, President Idaho Trust Co., Lewiston.
Secretary—L. A. COATE, Vice-President, Bank of Commerce, Boise.

ILLINOIS—ORGANIZED 1880.

President—JAMES MCKINNEY, Aledo Bank, Aledo.
Vice-President—OSCAR G. FOREMAN, Vice-President Foreman Bros. Banking Co., Chicago.
Secretary—R. L. RINAMAN, Rooms 1030-32, The Rookery, Chicago.
Treasurer—T. S. O. McDOWELL, President First National Bank, Fairbury.

INDIANA—ORGANIZED 1897.

President—J. R. VORIS, Cashier Citizens' National Bank, Bedford.
Vice-President—JAMES W. SALE, President Farmers' and Traders' Bank, Markle.
Secretary—ANDREW SMITH, Vice-President Capital National Bank, Indianapolis.
Treasurer—W. S. HUDDLESTON, President First National Bank, Winamac.

IOWA—ORGANIZED 1887.

President—J. T. BROOKS, President First National Bank of Hedrick.
Vice-President—J. H. INGWERSEN, President People's Trust and Savings Bank, Clinton.
Treasurer—D. L. HEINSHEIMER, President Mills County National Bank, Glenwood.
Secretary—J. M. DINWIDDIE, Cashier Cedar Rapids Savings Bank, Cedar Rapids.

KANSAS—ORGANIZED 1887.

President—W. M. PECK, Cashier Cloud County Bank, Concordia.
Vice-President—P. W. GOEBEL, President Commercial National Bank, Kansas City.
Secretary—W. W. BOWMAN, Director Prudential Trust Company, Topeka.
Treasurer—E. R. MOSES, President Citizens' National Bank, Great Bend.

KENTUCKY—ORGANIZED 1891.

President—J. R. DOWING, Cashier Georgetown National Bank, Georgetown.
Secretary—ISHAM BRIDGES, Manager Louisville Clearing House, Louisville.
Treasurer—HENRY D. ORMSBY, Cashier National Bank of Kentucky, Louisville.

LOUISIANA—ORGANIZED 1900.

President—PETER YOUREE, President Commercial National Bank, Shreveport.
Vice-President—R. N. SIMS, Vice-President People's Bank, Donaldsonville.
Secretary—L. O. BROUARD, President Bank of Abbeville, Abbeville.
Treasurer—L. M. POOL, Assistant Cashier Hibernia Bank and Trust Co., New Orleans.

MAINE—ORGANIZED 1900.

President—FREDERICK D. HILL, Cashier Bath National Bank, Bath.
Vice-President—CHARLES A. MOODY, President First National Bank, Biddeford.
Secretary—HASCAL S. HALL, Cashier Ticonic National Bank, Waterville.
Treasurer—GEORGE A. SAFFORD, Cashier Northern National Bank, Hallowell.

MARYLAND—ORGANIZED 1906.

President—WILLIAM B. COPPER, Cashier Second National Bank, Chestertown.
Secretary—CHARLES HANN, Asst. Cashier National Mechanics' Bank, Baltimore.
Treasurer—W. M. MARRIOTT, Cashier Western National Bank, Baltimore.

MASSACHUSETTS—ORGANIZED 1905.

President—FREDERIC W. RUGG, President National Rockland Bank, Roxbury.
Vice-President—JAMES A. PARKER, Vice-President Old Colony Trust Co., Boston.

Secretary—GEORGE W. HYDE, Assistant Cashier First National Bank, Boston.
Treasurer—EDWARD H. LOWELL, Treasurer Chelsea Trust Co., Chelsea.

MICHIGAN—ORGANIZED 1887.

President—LEON CHICHESTER, President First State Bank, Petoskey.
Vice-Presidents—H. G. BARNUM, President First National Exchange Bank, Port Huron; EMORY W. CASE, Vice-President The First National Bank, Detroit.
Secretary and Attorney—HAL H. SMITH, 612 Union Trust Building, Detroit.
Treasurer—FRED S. CASE, Vice-President Marquette County Savings Bank, Marquette.

MINNESOTA—ORGANIZED 1887.

President—JOSEPH CHAPMAN, JR., Vice-President Northwestern National Bank, Minneapolis.
Vice-President—W. I. PRINCE, Cashier City National Bank, Duluth.
Treasurer—L. WHITMORE, Cashier First National Bank, Wabasha.
Secretary—CHARLES R. FROST, 209 Metropolitan Life Building, Minneapolis.

MISSISSIPPI—ORGANIZED 1889.

President—OSCAR NEWTON, JR., Cashier Brookhaven Bank & Trust Company, Brookhaven.
Vice-President—W. M. ANDERSON, President Merchants' Bank and Trust Company, Jackson.
Secretary and Treasurer—B. W. GRIFFITH, President First National Bank, Vicksburg.

MISSOURI—ORGANIZED 1891.

President—J. R. DOMINICK, President Traders' Bank, Kansas City.
Vice-President—J. P. HINTON, Cashier Hannibal National Bank, Hannibal.
Secretary—W. F. KEYSER, Sedalia.
Treasurer—A. O. WILSON, Vice-President State National Bank, St. Louis.

MONTANA—ORGANIZED 1904.

President—W. W. McCRAKIN, President Ravalli County Bank, Hamilton.
Vice-President—JOHN E. EDWARDS, President Bank of Commerce, Forsyth.
Secretary-Treasurer—FRANK BOGART, Cashier Union Bank and Trust Company, Helena.

NEBRASKA—ORGANIZED 1890.

President—J. P. A. BLACK, President German Nat. Bank, Hastings.
Secretary—WILLIAM B. HUGHES, Manager Omaha Clearing House, Omaha.
Treasurer—F. T. HAMILTON, Vice-President Merchants' National Bank, Omaha.

NEVADA—ORGANIZED 1908.

President—F. M. LEE, Cashier Nixon National Bank, Reno.
Vice-President—JOHN HENDERSON, President Henderson Banking Co., Elko.
Secretary—GEORGE H. TAYLOR, Asst. Cashier Washoe County Bank, Reno.
Treasurer—FRED GROS, Cashier Farmers' & Merchants' National Bank, Reno.

NEW JERSEY—ORGANIZED 1903.

President—WM. C. HEPFENHEIMER, President Trust Company of New Jersey, Hoboken.
Vice-President—E. L. HOWE, Vice-President Princeton Bank, Princeton.
Secretary—WM. J. FIELD, Secretary and Treasurer Commercial Trust Company, Jersey City.
Treasurer—W. F. ARNOLD, Cashier City National Bank, Plainfield.

NEW MEXICO—ORGANIZED 1905.

President—R. J. PALEN, President First National Bank, Santa Fe.
Vice-President—E. A. CAHOON, Cashier First National Bank, Roswell.
Secretary—HALLEY RAYMONDS, Asst. Cashier First National Bank, Las Vegas.
Treasurer—J. B. HERNDON, Cashier State National Bank, Albuquerque.

JOURNAL OF THE AMERICAN BANKERS' ASSOCIATION

NEW YORK—ORGANIZED 1894.

President—E. S. TEFFT, Cashier First National Bank, Syracuse.
Vice-President—F. E. LYFORD, President First National Bank, Waverly.
Treasurer—DELMAR RUNKLE, Cashier People's National Bank, Hoosick Falls.
Secretary—E. O. ELDREDGE, Astor Trust Company, New York.
Assistant Secretary—WILLIAM J. HENRY, 92 West Broadway, New York City.

NORTH CAROLINA—ORGANIZED 1897.

President—H. W. JACKSON, Cashier Commercial National Bank, Raleigh.
Vice-Presidents—JOHN O. ELLINGTON, Vice-President Fourth National Bank, Fayetteville; W. C. WILKINSON, Cashier Merchants' and Farmers' National Bank, Charlotte; J. C. BRASWELL, President Planters' Bank, Rocky Mount.
Secretary and Treasurer—WILLIAM A. HUNT, Cashier Citizens' Bank, Henderson.

NORTH DAKOTA—ORGANIZED 1903.

President—C. J. LORD, President First National Bank, Cando.
Vice-President—R. C. KITTEL, President First National Bank, Casselton.
Secretary—W. C. MACFAADDEN, Cashier Commercial Bank, Fargo.
Treasurer—J. N. KUHL, Cashier First National Bank, Towner.

OHIO—ORGANIZED 1891.

President—A. E. RICE, President Croghan Bank and Savings Company, Fremont.
Vice-President—W. F. HOFFMAN, President Commercial National Bank, Columbus.
Secretary—S. B. RANKIN, President Bank of South Charleston, South Charleston, Office, 905-906 New First National Bank Building, Columbus.
Treasurer—W. J. WINTERS, Assistant Cashier Commercial National Bank, Coshocton.
Assistant Secretary—S. C. ARBUCKLE, 905-906 New First National Bank Building, Columbus.

OKLAHOMA—ORGANIZED 1897.

President—A. D. KENNEDY, Cashier Bank of Commerce, Okmulgee.
First Vice-President—L. A. WILSON, President First National Bank, El Reno.
Second Vice-President—H. M. SPALDING, President People's Bank, North Enid.
Treasurer—W. S. PATTEN, President First National Bank, Edmond.
Secretary—CHAS. L. ENGLE, Cashier Citizens' National Bank, El Reno.

OREGON—ORGANIZED 1903.

President—MONTIE B. GWINN, President The American National Bank of Pendleton, Pendleton.
Vice-President—R. W. SCHMEER, Cashier United States National Bank, Portland.
Treasurer—W. S. CROWELL, President First National Bank, Medford.
Secretary—J. L. HARTMAN, Hartman & Thompson, Bankers, Portland.

PENNSYLVANIA—ORGANIZED 1894.

President—ELI S. REINHOLD, Director Union National Bank, Mahanoy City.
Vice-President—R. E. JAMES, President Easton Trust Co., Easton.
Secretary—D. S. KLOSS, Cashier First National Bank, Tyrone.
Treasurer—ROBERT J. STONEY, JR., Banker, Pittsburgh.

SOUTH CAROLINA—ORGANIZED 1901.

President—T. B. STACKHOUSE, Vice-President National Loan and Exchange Bank, Columbia.
Vice-President—D. D. MCCOLL, President Bank of Marlboro, Bennettsville.
Secretary and Treasurer—GILES L. WILSON, State Bank Examiner, Spartanburg.
Attorney—A. M. LEE, Charleston.

SOUTH DAKOTA—ORGANIZED 1886.

President—J. R. HUGHES, President Potter County Bank, Gettysburg.
Vice-President—J. F. STEBBINS, of the Bank of Spearfish, Spearfish.
Secretary—J. E. PLATT, Cashier Security Bank, Clark.
Treasurer—W. H. PRATT, JR., Cashier Brule National Bank, Chamberlain.

TENNESSEE—ORGANIZED 1890.

President—I. B. TIGRETT, Cashier Union Bank and Trust Company, Jackson.
Vice-Presidents—JOHN H. WATKINS, Memphis; S. T. JONES, Sweetwater; W. G. DILLON, Tracy City.
Treasurer—STERLING FORT, First National Bank, Clarksville.
Secretary—JOHN J. HEFLIN, Nashville.
General Counsel—W. D. WITHERSPOON, Nashville.

TEXAS—ORGANIZED 1885.

President—T. C. YANTIS, President Brownwood National Bank, Brownwood.
Vice-Presidents—H. O. BOATWRIGHT, Bryan; J. HIRSCH, Corpus Christi; G. M. BOOTH, Taylor; J. W. BUTLER, Clifton; W. F. SKILLMAN, Sulphur Springs; L. L. SHIELD, Santa Anna; W. H. FUQUA, Amarillo.
Secretary—J. W. HOOPES, Vice-President Austin National Bank, Austin.
Treasurer—T. W. SLACK, Cashier First National Bank, Fort Worth.
Assistant Secretary—D. C. DUNN, Cashier Union Bank and Trust Co., Houston.
Attorney—S. W. FISCHER, Austin.

VIRGINIA—ORGANIZED 1893.

President—JOSEPH STEBBINS, President Bank of South Boston, South Boston.
Vice-Presidents—JOHN N. MILLER, JR., Richmond; H. A. WALKER, Staunton; JOHN W. WOODS, Roanoke; P. M. POLLARD, Petersburg; W. H. JONES, JR., Suffolk; W. B. VEST, Newport News; J. M. HUNT, Blackstone; R. F. BOYES, Lynchburg; H. E. JONES, Bristol.
Secretary—N. P. GATLING, Lynchburg.
Treasurer—H. A. WILLIAMS, Assistant Cashier Bank of Richmond, Richmond.
Attorney—GEORGE BRYAN, Richmond.

WASHINGTON—ORGANIZED 1899.

President—W. L. ADAMS, President First National Bank, Hoquiam.
Vice-President—A. F. ALBERTSON, Vice-President National Bank of Commerce, Tacoma.
Secretary—P. C. KAUFFMAN, Second Vice-President Fidelity Trust Company, Tacoma.
Treasurer—J. K. McCORNICK, President Security State Bank, Palouse.

WEST VIRGINIA—ORGANIZED 1895.

President—WILLIAM B. IRVINE, Vice-President National Bank of West Virginia, Wheeling.
Vice-Presidents—H. B. MCKINLEY, Salem; W. W. WOOD, Keyser; L. M. TULLY, Mt. Hope; C. D. BUMGARNER, Parkersburg; C. M. GOHEN, Huntington.
Secretary and Treasurer—JOS. S. HILL, Cashier National City Bank, Charleston.

WISCONSIN—ORGANIZED 1892.

President—E. C. ZIMMERMAN, Cashier Marathon County Bank, Wausau.
Vice-President—J. H. PUELICHER, Cashier Marathon & Islely Bank, Milwaukee.
Secretary—M. A. GRAETTINGER, Cashier Merchants' and Manufacturers' Bank, Milwaukee.
Treasurer—EARLE PEASE, Cashier First National Bank, Grand Rapids.

WYOMING—ORGANIZED 1908.

President—A. H. MARBLE, Vice-President Stockgrowers' National Bank, Cheyenne.
Vice-President—BENJ. F. PERKINS, President State Loan & Trust Co., Sheridan.
Treasurer—DE FOREST RICHARDS, Buffalo.
Secretary—HOWARD VAN DEUSEN, Cashier Rock Springs National Bank, Rock Springs.

PROTECTIVE COMMITTEE MONTHLY REPORT

NEW YORK, January 1, 1909.

Statistics from September 1, 1908, to December 31, 1908, of the work of the Pinkertons for the Association:

RECORD OF CRIMINALS ARRESTED, CONVICTED, SENTENCED, AWAITING TRIAL, BANK BURGLARIES, ETC.

BURGLARS—SPECIAL: Cases not disposed of arrested prior to September 1st, 1908, 2; arrested since September 1st, 6; convicted and sentenced, 2; specific terms, 2; years, 25; released, 2; killed, 1; awaiting trial, 3.

BURGLARS—GENERAL: Cases not disposed of arrested prior to September 1st, 1908, 4; arrested since September 1st, 16; convicted and sentenced, 4; specific terms, 4; years, 23; released, 2; awaiting trial, 14.

FORGERS—SPECIAL: Cases not disposed of arrested prior to September 1st, 1908, 10; arrested since September 1st, 12; convicted and sentenced, 6; specific terms, 4; indeterminate terms, 2; years, 9-5; released, 2; awaiting trial, 14.

FORGERS—GENERAL: Cases not disposed of arrested prior to September 1st, 1908, 19; arrested since September 1st, 13; convicted and sentenced, 15; specific terms, 11; indeterminate terms, 4; years, 30; released, 5; escaped, 2; awaiting trial, 10.

HOLD-UPS—SPECIAL: Cases not disposed of arrested prior to September 1st, 4; awaiting trial, 4.

HOLD-UPS—GENERAL: Cases not disposed of arrested prior to September 1st, 5; convicted and sentenced, 2; indeterminate terms, 2; escaped, 1; awaiting trial, 2.

SNEAK THIEVES—GENERAL: Cases not disposed of arrested prior to September 1st, 2; awaiting trial, 2.

ROBBERS—SPECIAL: Arrested since September 1st, 1; awaiting trial, 1.

Total cases not disposed of arrested prior to September 1st.....	46
Arrested since September 1st, 1908.....	48
	<hr/>
Convicted and sentenced.....	29
Released, escaped and killed.....	15
	<hr/>
Awaiting trial.....	50

BURGLARS—SPECIAL INVESTIGATIONS.

For the burglary of the First National Bank (M), Abingdon, Ill., January 3, 1903; loss, \$5,049.00.

On January 3, 1903, William H. Quinn, best known in criminal circles as "Eddie" Quinn, was arrested at Quincy, Ill. He was tried and found guilty on December 8, 1903, and on December 14th sentenced to an indeterminate term of from two to twenty years in the Illinois State Penitentiary at Joliet. He succeeded in making his escape from the penitentiary on August 28, 1907. On December 16, 1908, five men attempted to "hold-up" the Town Marshal at Greenwich, Ohio, but he, being suspicious, was prepared for them and succeeded in killing the man who led him into the ambush; the dead man was photographed, copies being distributed to various large cities for identification; on receipt of the photograph by our Chicago office it was immediately identified as being that of William H. Quinn, the escaped convict.

For the burglary of the Salisbury Savings Bank (M), Salisbury, Mo., December 4, 1907.

JOURNAL OF THE AMERICAN BANKERS' ASSOCIATION

December 5, 1907, W. J. Hobart was arrested at Higbee, Mo., charged with carrying concealed weapons. He was fined \$50 and sentenced to 30 days in the county jail at Huntsville, Mo. He was later identified as one of the men who attempted to burglarize the above bank, but was acquitted on that charge and turned over to the Seneca, Kas., authorities for trial on charge of burglarizing the State Bank of Goffs (N. M.), Goffs, Kas. December 7, 1908, he was acquitted of the latter charge and released from custody.

Awaiting Trial: J. Bretschneider, Beaumont, Tex.; J. Clement, Sparta, Wis.; J. Radley, Sparta, Wis.

BURGLARS—GENERAL INVESTIGATIONS.

For the burglary of the Danube State Bank (N. M.), Danube, Minn., October 6, 1908; loss, \$2,246.81.

On November 26, 1908, James Gaynor, Harry Smith and Henry Streeter were arrested at Sioux Falls, S. D., as suspects and sentenced to terms of thirty days each in the workhouse. On December 20th they were extradited by the Minnesota authorities and taken to Olivia, Minn., where they were charged with being implicated in the above burglary. Now await trial.

For the burglary of the State Bank of Holcombe (N. M.), Holcombe, Wis., November 25, 1908; loss, \$310.

On December 1, 1908, William Rogers, Michael Birmingham and Thomas Burns were arrested at Minneapolis, Minn. They received a preliminary hearing on December 18th and were held to be tried during the March, 1909, term of Court.

Another member of this band of burglars, John Baker, was also arrested at Minneapolis on December 1st, but he was sentenced to a term of three months in the Minneapolis Workhouse. At the expiration of his sentence he will also be extradited for being implicated in the burglary of the above bank.

Awaiting Trial: John Baker, Minneapolis, Minn.; M. Birmingham, Chippewa Falls, Wis.; H. F. Brown, Clay Center, Neb.; T. Burns, Chippewa Falls, Wis.; J. Gaynor, Olivia, Minn.; W. Hall, Clay Center, Neb.; J. Hartnett, Pineville, Mo.; T. C. Jackson, Pineville, Mo.; J. Johnson, Williamstown, Ky.; F. Kinney, Lafayette, Ind.; E. Morgan, Lafayette, Ind.; W. Rogers, Chippewa Falls, Wis.; H. Smith, Olivia, Minn.; H. Streeter, Olivia, Minn.

FORGERS—SPECIAL INVESTIGATIONS.

For defrauding the First National Bank (M), Whiting, Ind., out of \$182.60 on December 3, 1908.

On December 17, 1908, W. R. Hughes was arrested at Chewelah, Wash., and taken to Colville, Wash., where he was placed in jail until the arrival of an officer from Whiting, Ind. December 25th he was extradited to Indiana and is now awaiting trial.

For defrauding the National Bank of the Republic (M), Chicago, Ill., out of \$1,815.00 during the months of September, October, November and December, 1908.

On December 14, 1908, Edward Perkins was arrested in Chicago and held for a preliminary hearing under bonds of \$5,000. At his preliminary hearing before another justice two days later the bonds were reduced to \$4,000, but through our efforts he was indicted the same day on seven charges of forgery and held for trial; his case was called for trial December 28th, but his counsel succeeded in obtaining a continuance. Since his arrest we have ascertained that Edward Perkins was also known as Elmer Perkins, E. E. Perkins and L. E. Hanson, the last name being the one used by him in defrauding the above bank.

For defrauding the Monroe National Bank (M), Chicago, Ill., out of \$128 during the early part of December, 1908.

On December 21, 1908, Oscar Wirsén was arrested at Berwyn, Ill., and at his preliminary hearing on December 22d was held to the Grand Jury under a bond of \$2,000. He was also known as William C. Brown, Edward Wirsén, O. E. Wirsén and M. J. Walters, and has a Chicago Police record; three months ago he "held-up" and robbed the bookkeeper of a Chicago merchant, securing \$800. The charge against him was changed later and he received a sentence in the Chicago House of Correction.

For defrauding the First National Bank (M), Bridgeville, Pa., December 3, 1908, out of \$97.60.

December 14, 1908, C. W. Kahle was arrested at Irwin, Pa., for the above crime, but through friends coming to his assistance he secured his release on December 17th. December 24th at Pittsburg, Pa., he was again arrested, and on December 26th taken to Alliance, Ohio, where he now awaits trial on the charge of horse stealing.

For defrauding the Bank of Chadbourne (M), Chadbourne, N. C., July 14th and 17th, 1908, out of \$28.

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September 12, 1908, Henry McCray was arrested at St. Petersburg, Fla., and returned to North Carolina for trial. December 2, 1908, he was convicted and sentenced to two years in the chain gang.

For defrauding the Metropolis Trust & Savings Bank (M), San Francisco, Cal., November 30, 1908, out of \$300.

December 14, 1908, Warren Taylor was arrested at Los Angeles, Cal., for the above crime and returned to San Francisco, where he now awaits trial.

For defrauding the Wells Fargo Nevada National Bank (M), San Francisco, Cal., December 8, 1908, out of \$200.

December 31, 1908, Harry J. Bremner was arrested at San Francisco for the above crime and is now held awaiting trial.

Awaiting Trial: H. I. Bremner, San Francisco, Cal.; E. Cullen, Kennett Square, Pa.; B. Gatewood, Parma, Idaho; C. H. Haywood, Kennett Square, Pa.; W. R. Hughes, Whiting, Ind.; C. W. Kahle, Alliance, Ohio; H. Osman, Brooklyn, N. Y.; E. Parker, Brooklyn, N. Y.; E. Perkins, Chicago, Ill.; A. M. Potter, Detroit, Mich.; A. F. Rickey, Galesburg, Ill.; W. Taylor, San Francisco, Cal.; S. B. Thompson, Columbia City, Ind.; O. Wirsén, Chicago, Ill.

FORGERS—GENERAL INVESTIGATIONS.

For defrauding merchants at Bridgeport, Conn., with checks and United States Government money orders stolen from the mails.

December 8, 1908, at Bridgeport, Conn., F. Kowalsky and G. A. Zbrosky, two letter-box thieves and forgers, were convicted and sentenced to one year each in the Wethersfield, Conn., State Prison.

At the time of their arrest, on November 16, 1908, we identified F. Kowalsky as a letter-box thief and forger who had been arrested at Boston, Mass., some time ago.

For defrauding the Miners' Bank (M), Joplin, Mo., out of \$70 on October 3, 1908.

October 5, 1908, George J. Rieger was arrested at Springfield, Mo., and returned to Joplin. December 16th he was brought to trial, pleaded guilty to the charge of forgery and was sentenced to the Missouri State Penitentiary for three years.

Awaiting Trial: C. E. Coon, Kearney, Neb.; J. Dickstein, New York, N. Y.; C. E. Harris, St. Joseph, Mo.; W. H. Geiger, Tampa, Fla.; G. C. Goelitz, Chicago, Ill.; J. Gross, Detroit, Mich.; J. C. Harrington, Cincinnati, O.; C. H. Sheftall, Washington, D. C.; S. Weis, Brooklyn, N. Y.

ROBBERY—SPECIAL INVESTIGATIONS.

For the robbery of the First National Bank (M), Eufaula, Okla., December 14, 1908; loss, \$2,846.70.

On December 21st H. B. Elliott, teller of the First National Bank (M), Eufaula, Okla., confessed that he alone robbed the bank. He returned the stolen money, and on December 23d was arrested charged with the robbery, and is now in jail awaiting trial.

Awaiting Trial: H. B. Elliott, Eufaula, Okla.

HOLD-UP ROBBERIES—SPECIAL INVESTIGATIONS.

Awaiting Trial: J. Bulger, Paducah, Ky.; E. Elmendorph, Paducah, Ky.; S. Evitts, Paducah, Ky.; W. Husbands, Paducah, Ky.

HOLD-UP ROBBERIES—GENERAL INVESTIGATIONS.

Awaiting Trial: J. Lee, Hoffman, Okla.; M. Thornberry, Hoffman, Okla.

SNEAK THIEVES—GENERAL INVESTIGATIONS.

Awaiting Trial: C. Cummiskey, New York, N. Y.; J. Price, New York, N. Y.

Burglaries on non-members.....	35	Loss.....	\$76,191.43
Burglaries on members.....	10	Loss.....	12,707.12
Difference.....	25		\$63,484.31

Hold-up robberies on members.....	3	Loss.....	\$15,287.15
Hold-up robberies on non-members.....	1	Loss.....	Attempt

